

DAILY REPORT

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ROGACHEV INFORMS QIAN ABOUT ICELAND SUMMIT

OW151144 Beijing XINHUA in English 1128 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) -- Soviet Vice-Foreign Minister I.A. Rogachev informed Chinese Vice Foreign Minister Qian Qichen last night of the summit meeting between heads of the Soviet Union and the United States in Reykjavik, Iceland, according to the Foreign Ministry here today.

Rogachev also explained Soviet's stands in the meeting and Soviet's proposal for nuclear disarmament.

Soviet Ambassador to China C.A. Troyanovskiy was present on the occasion.

Qian 'Took No Position'

HK151406 Hong Kong AFP in English 1332 GMT 15 Oct 86

[Text] Beijing, Oct 15 (AFP) -- China said Wednesday it hoped the United States and the Soviet Union would continue their dialogue following the Reykjavik summit.

"We have taken note of the fact that the U.S.-Soviet summit meeting in Iceland led to no agreement," a Foreign Ministry spokesman said at a weekly press briefing.

"China has always stood for dialogue between the United States and the Soviet Union, for dialogue is better than confrontation after all," the spokesman said.

The Chinese official press on Wednesday condemned the summit's failure to reach an arms control deal, calling on peace-loving peoples of the world not to put their faith in the two superpowers.

Soviet Vice Foreign Minister Igor Rogachev had explained Moscow's arms-control proposals and its summit position at a meeting Tuesday with Chinese counterpart Qian Qichen, the official NEW CHINA NEWS AGENCY said.

Mr. Rogachev was in Beijing for a round of talks on normalizing Sino-Soviet relations. He left for Moscow Wednesday.

A Soviet diplomat said Mr. Rogachev and Soviet Ambassador Oleg Troyanovsky had told the Chinese that the United States was to blame for the failure of the summit because of its "star wars" anti-missile space defence project.

Mr. Qian took no position on which side was responsible for the outcome. He only indicated that U.S.-Soviet dialogue continue, the Soviet diplomat said.

UN ENVOY URGES U.S., USSR TO CONTINUE ARMS TALKS

OW160706 Beijing XINHUA in English 0647 GMT 16 Oct 86

[Text] United Nations, October 15, (XINHUA) -- China urged the United States and Soviet Union to continue negotiations to overcome the stalemate in the Iceland disarmament talks.

Addressing the first committee of the 41st session of the General Assembly this afternoon, Fan Guoxiang, China's ambassador in charge of disarmament affairs to the U.N., expressed his disappointment concerning the summit in Reykjavik, Iceland last weekend between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev. The meeting ended in a stalemate.

"Dialogue is better than confrontation," he said, calling on the United States and Soviet Union to negotiate seriously to reach agreements conducive to easing tensions and world peace.

Nuclear disarmament has always been the utmost concern of the international community. It is universally desired that the U.S. and Soviet Union stop their arms race and drastically reduce their nuclear weapons, he said.

However, neither bilateral nor multilateral negotiations have achieved any real progress in this regard, he said.

"China consistently holds that the ever-escalating nuclear arms race constitutes a grave threat to international peace and security, and that the ultimate goal of nuclear disarmament should be the complete prohibition and thorough destruction of nuclear weapons," he said.

As a first step toward this goal, he added, the two nuclear powers which possess more than 95 percent of the world's nuclear weapons should take the lead in halting test, production and deployment of all types of nuclear weapons.

He said they should keep their promise made in the past year to take the lead in cutting 50 percent of their nuclear stockpiles.

On the negotiations between the United States and the Soviet Union on the reduction of intermediate-range nuclear forces (INF) in Europe, he said that China, as an Asian country, has every reason to feel concerned with the nuclear threat within its own region.

"The mere reduction of INF in Europe will not make Asian countries feel safer if the question of Asian-based INF is not dealt with, as the security interests of various regions are interrelated and influence each other," he said.

He stated China's position that the medium-range missiles deployed by the Soviet Union and the United States in both Europe and Asia should be reduced and destroyed simultaneously in a balanced way.

Referring to conventional disarmament, he pointed out that the two superpowers and their major military allies also bear special responsibility.

He said that China will submit draft resolutions to the committee at the present session, on both nuclear and conventional disarmament, and hoped that other delegations will give them careful considerations.

On the prevention of the arms race in outer space, he noted that the United States and Soviet Union, which have the largest space capabilities remain far apart in their positions. "Already possessing some space weaponry, both of them are carrying out research and development for new types of space weapons," he said.

"China has consistently opposed the arms race in outer space, no matter who does it or in whatever form it takes," he said. He proposed that all countries with space capabilities should refrain from developing, testing and deploying weapons in outer space in order to create favourable conditions for negotiations.

He told the committee that the Chinese Government decided last year to cut its troops by one million, which will be completed by the end of this year.

China has shifted a considerable portion of its military industry to civilian production and turned some military installations over to or shared them with civilians, he said.

"As we are concentrating our efforts on economic construction and working for the gradual improvement of our people's livelihood, we have neither the intention nor the capability to take part in the arms race," he said.

The First Committee of the 41st Session of the General Assembly responsible for disarmament and international security is holding its general debate this week.

GUANGMING RIBAO ON REASONS FOR REYKJAVIK MEETING

HK151114 Beijing GUANGMING RIBAO in Chinese 8 Oct 86 p 4

["International Commentary" by Zheng Dexin (6774 1795 9515). "Why Did U.S. and Soviet Hold 'Iceland Meeting'?"]

[Text] Following the settlement of the case of Nicholas Daniloff, the United States and the Soviet Union announced simultaneously on 30 September: President Reagan and Soviet leader Mikhail Gorbachev will hold talks in Reykjavik, the capital of Iceland, from 11 October to 12 October. The suggestion to hold this summit meeting was put forward by Gorbachev in his letter to Reagan on 19 September. Reagan immediately agreed to the suggestion, but insisted that his decision be made public only after the settlement of the Daniloff case. In the meantime, Reagan declared that the Iceland meeting would only be a preparatory meeting for the formal summit meeting, so the Iceland meeting would not be a summit meeting. According to the agreement at the first Soviet-U.S. summit meeting, which was held last November, the second summit meeting will be held in the United States some time later this year. Why did the United States and the Soviet Union hold a "provisional summit meeting" in a third country, which was unprecedented in the history of the Soviet-U.S. relations? This was due to the domestic and diplomatic needs of both sides when their complicated relations, characterized by both dialogue and confrontation, had developed to the present stage.

Since last year's Soviet-U.S. summit meeting, the tension in Soviet-U.S. relations has been somewhat relaxed, but no substantial progress has been made on disarmament and other important issues. The two sides have differences on developing space weapons, ending nuclear testing, and whether to continue to abide by the SALT II treaty and some other questions. Again, at the end of August this year, the Daniloff case broke, which made Soviet-U.S. relations strained for some time. As early as March and July of this year, Gorbachev twice suggested holding a provisional summit meeting in a third country first, but received no response from the United States. This time, the Soviet Union again put forward this suggestion. [paragraph continues]

The main purpose of the Soviet Union on the one hand was to stick to Gorbachev's consistent position on the question of holding a second summit meeting, which is that only when both sides have made substantial progress on the question of disarmament and some other important issues will the holding of a second summit meeting be of practical significance. The Soviet Union was trying to make the United States make concessions on a disarmament agreement before holding a Soviet-U.S. summit meeting. On the other hand, if this provisional summit meeting could not achieve any substantial results, the Soviet Union would not come under any pressure because the holding of the meeting was proposed by the Soviet Union, so that the Soviet Union could still gain a propaganda advantage.

The reason Reagan changed his original stand and agreed to meet Gorbachev less than a month away from the U.S. congressional elections was because Reagan thought that his appearance at the Iceland meeting would help not only his domestic policies and the strengthening of his position in dealing with foreign affairs, but also the Republican Party. Recently, the U.S. Congress and public opinion in the United States have urged Reagan not to be always tough toward the Soviet Union. If both sides can make some breakthroughs on arms control, that would increase Reagan's personal prestige and establish the image of "peace president" for Reagan.

It seems that the arrangement of the current meeting is necessary to each side, and both sides want to relax the very strained relations which earlier existed between them. Just as a Western observer pointed out, neither the United States nor the Soviet Union is willing to make the official summit talks fail; therefore, they want to explore the possibility of success through a minisummit. According to some foreign dispatch reports, such issues as arms control, regional disputes, and human rights will be dealt with at the current meeting, of which arms control will be one of the focuses of the discussion. According to speeches of U.S. and Soviet officials published recently, the Iceland meeting will possibly reach agreement on resolving the dispute between the two countries on the medium-range missiles deployed in Europe and Asia. It is reported that at present, the two sides "are rather close" in their views on the issue of medium-range missiles in their Geneva nuclear disarmament talks. The United States originally proposed that the two parties cut back the numbers of their warheads in Europe to zero, and that in Asia the Soviet Union cut back its number of medium-range missiles in proportion; while the Soviet Union proposed that the two sides each maintain 100 warheads in Europe; however, regarding the medium-range missiles deployed in Asia, the Soviet Union only agreed to a freeze, but no cutback in the number. It seems that the possibility exists for the two sides to reach agreement on a new balance based on deescalation on the issue of medium-range missiles. This is because, first, medium-range missiles are no longer newly developed weapons for both countries; and second, the two sides have maintained a balance of medium-range missiles in Europe, with their numbers far exceeding need. The balanced cutback of such missiles will affect neither side in their arms strength in Europe. In addition there is the possibility of reaching some tentative agreements on bilateral relations and preventing the spread of chemical weapons.

World opinion has great expectations for the current U.S.-Soviet summit talks, and hopes that their talks on disarmament and relaxing the tense international situation will yield some positive results favorable to world peace. On the other hand, quite a number of observers are very cautious in their attitude; this is because too many problems have accumulated between the two superpowers, and neither of them is willing to give up its advantages on the question of arms in particular. [paragraph continues]

The United States has made clear its stand that it will not make any concession on its Strategic Defense Initiative program; while the Soviet Union will maintain its strategic positions acquired in Afghanistan and Southeast Asia. Therefore, we should not expect too much of the current "Iceland meeting."

UN ENVOY PROPOSES SOLUTION TO DEBT PROBLEM

OW160818 Beijing XINHUA in English 0811 GMT 16 Oct 86

[Text] United Nations, October 15 (XINHUA) — China today called on all creditor countries, debtor countries, financial institutions and commercial banks to work together to come up with a formula to solve the debt crisis that now grips many developing nations.

Wang Baoliu, minister of the Chinese permanent mission to the United Nations, told a special U.N. committee on the debt problem that the solution lies in the broader context of growth and development and "a fundamental solution to the debt problem can only be found by creating a favorable international environment in which the debtor countries can revitalize their economic development and thereby raise their ability to repay their external debts."

Wang put forward a three-point solution to the debt problem, saying that, first, the international community should consider linking annual payments to economic growth and export earnings of debtor nations, and also consider the debtor's need for resources to finance growth and imports. At the same time, sufficient new credits should be provided to the debtors, loan terms should be relaxed and interest rates should continue to go down and then be stabilized.

Secondly, the international community should adopt measures to stabilize commodity prices and improve the developing countries' terms of trade, and the developed countries should immediately curb protectionism and systematically roll back existing restrictive trade measures to increase their imports from developing countries.

And finally, Wang said, debtor countries should be allowed to adopt flexible adjustment policies to fit their specific economic conditions.

RENMIN RIBAO ON DOWNED PLANE IN NICARAGUA

HK151305 Beijing RENMIN RIBAO in Chinese 13 Oct 86 p 6

["Newsletter From America" by reporter Zhang Yunwen (1728 0336 2429): "Mystery Surrounding the C-123 Cargo Plane"]

[Text] Washington, 11 Oct -- A U.S. cargo plane, fully loaded with military supplies, was shot down by the Nicaraguan Government forces in Nicaragua's territory on 6 October. This event has once again attracted the serious concern of the U.S. media over the situation in Central America.

Three personnel on board the American plane were killed in the crash and another man named Eugene Hasenfus was captured alive after he parachuted. The White House, the State Department, the Central Intelligence Agency (CIA), and the Department of Defense all declared that they had nothing to do with the event. A government official said in explanation that the flight was carried out by private agencies. However, some private organizations participating in similar activities flatly denied any involvement in the event. The government was impatient to see "the event disappear from the front pages of newspapers as quickly as possible" but the media just would not let the matter drop that way and persisted in unlocking the mystery.

A series of indictments made people all the more skeptical of the background of the plane.

It has been reported that the captive Hasenfus admitted that he was under the employment of two CIA personnel and had flown 10 airlift missions from bases in El Salvador. The documents found on the bodies of the dead in the crash also aroused people's suspicion. Two of the crew were personnel of the Miami-based Southern Air Transport Corporation, one of the air transport corporations once owned by the CIA, which now has been transferred to some individuals who have close links to the corporation on condition that it should continue to serve the CIA. The downed C-123 cargo plane belonged to just this corporation. According to press reports, on 9 April 1983, it was through this corporation that the CIA airlifted tens of tons of weapons to the territory of Honduras to assist Nicaragua's antigovernment forces. From the bodies of the dead in the current crash certificates issued by the corporation were also found.

People have continuously raised the question: Which private agency has enough financial, material, and human resources to carry out such an activity? There are various indications that the U.S. Government has subtle connections with the activities of some "private agencies." Senior government officials indicated that they have supported this kind of "private activities" and at the same time, repeatedly denied any connection with the "private activities." Yesterday a government official admitted in private that since Congress adopted, in 1984, legislation banning the government from providing assistance to Nicaragua's antigovernment forces and the CIA from involving itself in any such activities, the White House and the Department of Defense had all along continued to carry out such activities by assisting the "private agencies."

It has been reported that some people who established this kind of supply network have close relations with senior White House officials and are granted help by the latter. In the last 2 years, this supply network spent millions of U.S. dollars to airlift military supplies on hundreds of occasions. Government officials said in private that the government never "directed or controlled" this supply network and merely "supervised" it.

Congress will finally ratify the bill appropriating \$100 million in aid to Nicaragua's antigovernment forces. However, the American law stipulates that no involvement of CIA or other government personnel in the activities to overthrow the Nicaraguan Government is permissible and no U.S. military personnel shall enter areas 20 miles away from Nicaragua's territory. Involvement of government personnel in the aforesaid activities would mean a violation of the law. Therefore, some people in press circles contended that Congress would find it difficult "to raise a loud cry to protest against: a "privatized" war, because Congress itself has basically adopted a bill appropriating \$100 million in aid to Nicaragua's antigovernment forces.

PLA'S HONG XUEZHI, PARTY ARRIVE IN WASHINGTON

OW150416 Beijing XINHUA in English 0135 GMT 15 Oct 86

[Text] Washington, October 14 (XINHUA) -- Hong Xuezhi, director of the General Logistics Department (GLD) of the Chinese People's Liberation Army, and his party arrived here today for a three-day visit to the capital of the United States.

Hong, accompanied by Deputy GLD Director Zhao Nanqi and Chief of Staff of GLD Jiang Shengxiang, was greeted by James Wade, U.S. assistant secretary of defense for acquisition and logistics, and Chinese Ambassador here Han Xu at the Andrews Air Force Base near Washington.

The Chinese military delegation visited West Point Military Academy in New York on Sunday after they arrived in the city of New York the day before.

FANG YI, HU QILI MEET WITH U.S. PHYSICISTS

OW141412 Beijing XINHUA Domestic Service in Chinese 1439 GMT 12 Oct 86

[Excerpts] Beijing, 12 Oct (XINHUA) -- The Sino-U.S. Joint Committee on High-Energy Physics held its seventh meeting in Beijing recently. The meeting was held in accordance with a protocol for implementing the plan signed in 1979 on cooperation between China and the United States in the field of high-energy physics. [passage omitted]

The tasks of the meeting were to review and examine the implementation of the plan of bilateral cooperation in the previous year and to sign the cooperation plan for the following year. "Thanks to efforts by both sides, the meeting reached agreement on the cooperation plan for next year. [passage omitted]

During the meeting, Fang Yi, member of the CPC Central Committee Political Bureau and state councillor; and Hu Qili, member of the CPC Central Committee Political Bureau and Secretariat, met separately with the Chinese and American scientists who attended the meeting.

NEW ATMOSPHERE SEEN FOR SINO-SOVIET NORMALIZATION

HK160912 Hong Kong AFP in English 0832 GMT 16 Oct 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Oct 16 (AFP) — The latest round of Sino-Soviet normalization talks has enabled China and the Soviet Union for the first time to undertake a serious political dialogue on basic issues hampering normal relations, Western diplomats said here Thursday.

For the first time since the series of talks began in 1982, the Soviet Union has agreed to discuss the Cambodian crisis, a thorny issue that Beijing considers the main obstacle to normal relations with Moscow.

"We now have the outlines of a political dialogue acknowledged as such, whereas before there had only been two monologues," one Western diplomat said.

"Even if the two neighbors are still running into the same basic problems, the atmosphere has changed. Now that it has begun, it should continue," the diplomat added.

The Chinese negotiator, Vice Foreign Minister Qian Qichen, usually cautious in such matters, did not refrain Wednesday from expressing his satisfaction to reporters.

"It's good that we can start talking" about the Cambodian question, he said.

Soviet and Western diplomats here say Cambodia dominated the week-long discussions, even if Moscow and Beijing stuck to their respective positions.

Differences over Cambodia are so deep between China and the Soviet Union that dialogue over the issue is far from being concluded, if it ever will be, Western diplomats said.

Before leaving Beijing, the head of the Soviet delegation, Vice Foreign Minister Igor Rogachev, said it was "impossible to resolve such problems in a single round of talks."

China has called for the withdrawal of all 140,000 Vietnamese troops in Cambodia, supporting the Hanoi-backed Heng Samrin government in Phnom Penh, and has held Moscow partly responsible because of its military support to Vietnam.

The Soviet Union has responded that it is up to Beijing and Hanoi to settle the issue between themselves, and that it is impossible for Moscow to call upon Vietnam to withdraw.

Diplomats said the new atmosphere stems primarily from a more realistic Kremlin approach to the issues, as well as from Soviet leader Mikhail Gorbachev's overtures from his Asian initiatives speech in Vladivostok in July.

They say that since the beginning of the year, when Beijing displayed a growing irritation towards the Soviet Union and charged it was dodging the real issues, Moscow has taken initiative.

The Soviet Union began by naming more capable officials to deal with Chinese affairs, replacing men whom Beijing did not take seriously. Then came the appointment in May of a new ambassador to Beijing, Oleg Troyanovsky, a "heavyweight" in the Soviet foreign service, and the nomination in August of Mr. Rogachev, 54, a China specialist, as negotiator in the normalization talks.

In another sign of goodwill, the Soviets appear to be more determined to settle border differences. Almost three months after Mr. Gorbachev made a compromise offer involving the frontier Ussuri and Amur Rivers, China has accepted a resumption of border negotiations after an eight-year hiatus.

This issue is probably the easiest to settle for the two communist giants which have a 7,500-kilometer (4,660-mile) common border.

China, which says it needs an environment of peace for its economic development, is keen to settle its border wrangles with the Soviet Union and the talks, which failed to produce results between 1964 and 1978 have every chance of success, Western analysts said.

The border negotiations are to resume in February in Moscow at the vice-ministerial level and will alternate between the two capitals. They will focus on two contested zones, in northeastern China and the Soviet far east, and in northwestern China between Xinjiang Province and the Soviet Republic of Kazakhstan.

Western diplomats believe, however, that there is certainly no "honeymoon" underway between Beijing and Moscow. China continues to consider Soviet policy in Asia as expansionist. It seeks no alliance with the Soviet Union, as it did during the 1950's, and depends too much on Western technology and confidence to venture too far in its movement closer to its Soviet neighbor.

TASS REPORTS TROOP WITHDRAWAL FROM AFGHANISTAN

OW151640 Beijing XINHUA in English 1626 GMT 15 Oct 86

["Soviet Union Begins Troop Withdrawal From Afghanistan" -- XINHUA headline]

[Text] Moscow, October 15 (XINHUA) -- The withdrawal of about 8,000 Soviet troops from Afghanistan started today as scheduled, according to TASS quoting a Soviet military official.

Colonel General Nikolay Chervov, chief of a department of the Soviet Army General Staff, said at a press conference here today that the partial pullout, which involved six regiments, was a sign of good will aimed at encouraging a political settlement of the conflict in the country. The pullout is scheduled to be completed by the end of this month.

Chervov refused to disclose the total number of the Soviet troops in Afghanistan or give any casualty figures the Soviets have suffered there since 1979.

"However, if the intervention against the Afghanistan Government continues," the Soviet Union would not "leave its neighbor in trouble," he declared.

TIAN JIYUN ON TOUR OF FOUR ASEAN COUNTRIES

Departs 11 October

OW111329 Beijing XINHUA in English 0906 GMT 11 Oct 86

[Text] Beijing, October 11 (XINHUA) -- Vice-Premier Tian Jiyun left here today for a friendly visit to Singapore, Malaysia, the Philippines and Thailand at the invitation of the governments of these countries.

Arrives in Singapore

OW111814 Beijing XINHUA in English 1547 GMT 11 Oct 86

[Text] Singapore, October 11 (XINHUA) -- Chinese Vice-Premier Tian Jiyun said here this evening that China can learn from Singapore successful experience in construction, management of enterprises and financial system in order to promote China's economic development.

Tian made the remarks when he met Singapore First Deputy Prime Minister Goh Chok Tong after his arrival in Singapore international airport to start his four-day official visit at the invitation of Goh Chok tong.

This is the first time for Tian to visit the Southeast Asian country since he became vice-premier.

Singapore is the first leg of the Chinese vice-premier's current tour of four Southeast Asian nations which also include Malaysia, the Philippines and Thailand.

Tian was accompanied by, among others, Vice Foreign Minister Liu Shuqing.

The vice-premier will call on Singapore Prime Minister Lee Kuan Yew and hold talks with Goh Chok Tong who is concurrently defense minister, Second Deputy Prime Minister Ong Teng Cheong, Acting Minister for Trade and Industry Lee Hsien Loong, Foreign Minister Dhanabalan and Minister for National Development Teh Cheang Wan.

It is expected that the economic cooperation between the two countries would be a major topic of those talks, during which the two sides will try to search new ways to strengthen their trade ties.

Trade volume between the two countries recorded 2.76 billion U.S. dollars last year. China exported oil and other commodities to Singapore while Singapore invested in China's hotel, factories, and helps China run Shanghai Airport.

Visits Singapore Port

OW121240 Beijing XINHUA in English 1225 GMT 12 Oct 86

[Text] Singapore, October 12 (XINHUA) -- Chinese Vice-Premier Tian Jiyun visited the Singapore Port, one of the busiest harbors in the world, today.

Singapore Minister of State for Community Development Ch'ng Jit Koon and executive director of the port of Singapore Authority Wong Hung Khim received the Chinese guests and accompanied them to visit the harbor.

Wong briefed the Chinese vice-premier on the development of the harbor, its facilities and services, and then guided the Chinese guests to make tour of the Singapore waterfront by a pleasant boat.

The Singapore port has a strategic location in the communications line from the Pacific Ocean to the Indian Ocean. It is one of the busiest in the world in terms of shipping tonnage. About 30,000 vessels call at the port yearly.

The port of Singapore authority has now close relations with China's port authorities in Tianjin, Shanghai and Dalian. It provides advisory services to the Tianjin port.

Meets Deputy Premier

OW130851 Beijing XINHUA in English 0757 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- Singapore First Deputy Prime Minister Goh Chok Tong said today that his country attached importance to strengthening the relationship and economic cooperations between Singapore and China.

He made the remarks in a talk with visiting Chinese Vice Premier Tian Jiyun here this morning in the Defense Ministry.

During the talks, Tian reviewed the development in political and economic relations between China and Singapore, and expressed great satisfaction at the relationship between the two countries.

Both Goh and Tian held that it is necessary to further promote the economic ties and to heighten the relations of the two countries to a new level. There is still much room for the two countries to develop their trade and economic relations, they said.

Goh expressed his hope to visit China again at a convenient time. He will host a dinner this evening in honor of the Chinese vice premier.

Reiterates Support to Cambodia

OW131349 Beijing XINHUA in English 1317 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- China will continue its support to the Coalition Government of Democratic Kampuchea (CGDK) against the occupation of Vietnamese troops in Kampuchea, visiting Chinese Vice Premier Tian Jiyun said here today.

China will go on with the support so long as Vietnam does not stop its aggressive actions and refuses to withdraw its troops from Kampuchea, Tian said during his meeting with Singapore Foreign Minister S. Dhanabalan this morning.

Tian also reiterated China's support to the eight-point peace proposal put forward by the CGDK, which calls for a two-phase withdrawal of Vietnamese troops and the formation of a four-party coalition government including the Heng Samrin regime, Dhanabalan told reporters after the meeting.

Tian said that China wants to see a neutral and independent Kampuchea which is friendly to all neighboring countries including Vietnam, Dhanabalan said.

Tian also stressed that the Kampuchean issue continues to be the most important obstacle to better Sino-Soviet relations, Dhanabalan added.

"ASEAN (the Association of Southeast Asian Nations) countries and China share a similar approach to the Cambodian (Kampuchean) issue. I'm happy with the exchange of views on the issue," the Singapore foreign minister said.

Referring to the relations between the ASEAN and the Soviet Union, Dhanabalan said that if the Soviet Union wants better relationship with ASEAN countries it should make efforts to find a peaceful solution to the Kampuchean problem.

Agrees to Annual Meetings

OW132000 Beijing XINHUA in English 1902 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- A document on annual meetings between economic officials of China and Singapore was signed here today, with the aim of broadening trade relations between the two countries.

The signing ceremony took place in the Singapore Defense Ministry when the visiting Chinese Vice-Premier Tian Jiyun, who arrived here on October 11 for a four-day official visit, and the Singapore First Deputy Prime Minister Goh Chok Tong held talks on economic relations between the two countries.

The document was signed by the representatives of the Ministry of Foreign Economic Relations and Trade of China and the Singapore Trade and Industry Ministry.

Under the document, officials of the two ministries should meet annually and alternately in Beijing and Singapore to discuss matters related to economic and trade cooperation between the two countries so as to facilitate the healthy development of such cooperation.

The level, date and venue of each meeting should be decided through consultations of the two sides, the document said.

Tian Meets Lee Kuan Yew

OW131739 Beijing XINHUA in English 1459 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- If China sticks to its cause, it is possible for it to catch up with the developed countries through two generations of efforts, said Singapore Prime Minister Lee Kuan Yew here today.

During a meeting with visiting Chinese Vice Premier Tian Jiyun in Istana (the prime minister office) this afternoon, Lee said as Singapore had difficulties and setbacks in its cause of development, it understands that China's development is a very arduous and complex matter.

Tian, on the other hand, said he was deeply impressed by the host country's marked achievements in urban development, environmental protection and management. He added that China attached importance to Singapore's experiences.

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The Chinese vice premier also stressed China will continue its current policy persistently and unremittingly.

The meeting lasted for one-and-a-half hours, 25 minutes more than the schedule.

Tian Addresses Banquet

OW132100 Beijing XINHUA in English 1951 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- China is ready to work with ASEAN countries to bring about, at an early date, a just and reasonable solution to the "hot spot" problem endangering peace in this region, the visiting Chinese Vice Premier Tian Jiyun said here tonight.

Speaking at a dinner tonight given by the Singapore First Deputy Prime Minister Goh Chok Tong in honour of the Chinese delegation, the Chinese vice premier said that China is also ready to promote amity among all countries on the basis of the five principles of peaceful coexistence to create a favorable international environment.

On relations between China and Singapore, Tian said the bilateral economic and trade cooperation between the two countries has yielded gratifying results due to the joint efforts of the governments and enterprises of the two countries on the basis of equality and mutual benefit.

Proposing a toast in the dinner, the Singapore first deputy prime minister said that economic cooperation between China and Singapore has gathered momentum in the last few years.

There is increasing cooperation between the two countries in the promotion of tourism and the development of this important economic sector.

Goh said that other areas where cooperation can lead to mutual benefits are engineering consultancy and construction services, development and management of seaports and airports, and aircraft maintenance and servicing.

As an international financial center, Singapore also welcomes China's participation in its financial and banking services, Goh said.

Trade between China and Singapore is growing well, Goh said, the trade figures for the first half of 1986 indicate that last year's figure of 2.7 billion US dollars, for total two-way trade between the two countries, is likely to be equalled or even surpassed this year.

Holds Talks on Trade

OW132106 Beijing XINHUA in English 1948 GMT 13 Oct 86

[Text] Singapore, October 13 (XINHUA) -- Visiting Chinese Vice-Premier Tian Jiyun had talks here this afternoon with Singapore Acting Minister for Trade and Industry Brigadier-General Lee Hsien Loong on searching new (?ways to) broaden economic cooperations between the two countries.

An official of the Chinese delegation said that the two sides reviewed economic cooperations between the two countries and agreed that there are many rooms for the two countries to develop their ties in trade, science and technology, investment and services.

Lee told reporters after the talks that they studied the possibility to China raising loans on the Singapore capital market and the possibility of constructing a power plant in China with the financial help from Singapore and with non-financial repayments by China in the form of coal or other commodities.

Lee said that both sides had agreed to first study wider areas of cooperation which should be carried out step by step on both sides. Tourism, the possibility of promoting Singapore and China as joint destinations and services cooperation were also discussed during the meeting, he said.

Departs Singapore for Malaysia

OW141710 Beijing XINHUA in English 1600 GMT 14 Oct 86

[Text] Singapore, October 14 (XINHUA) — Visiting Chinese Vice Premier Tian Jiyun said this afternoon that there is a bright future for cooperation between China and Singapore in financing, industrial infrastructure and tourism.

After touring a town in the east part of this island nation, Tian told reporters that his visit to Singapore is successful and he is most impressed with Singapore's town planning, construction and management. He is of the opinion that Singapore's experience in economic development is worth studying for China. Tian and Teh Cheang Wan, Singapore national development minister, had talks this afternoon on the future cooperation in construction between the two countries.

Singapore has successfully implemented five five-year building programs since 1960. In 1985, 46,370 dwelling units were completed, bringing the total number of completed under the Fifth Five-Year (1981-1985) Building Program to 189,299, which is 22 percent above the target of 155,000.

In the Sixth Five-Year (1986-1990) Building Program, the board plans to complete 160,000 dwelling units. Today, 84 percent of the population live in HDB [expansion unknown] flats, with modern facilities.

This morning, Tian visited the Telecommunications Authority of Singapore (TAS) and the Changi airport. Chairman Koh Boon Hwee and Chairman of the Civil Aviation Authority of Singapore (CAAS) Sim Kee Boon briefed Tian on the developments of TAS and CAAS and accompanied him to visit communication facilities and the in-flight catering services at the Changi airport.

Earlier this afternoon, Tian met with Singapore's Deputy Chairman of the Monetary Authority Goh Keng Swee, who is also advisor for economic development in coastal provinces and tourism in China.

Tian Jiyun left for Malaysia this evening after concluding his four-day official visit to Singapore.

Arrives in Kuala Lumpur

OW150037 Beijing XINHUA in English 1913 GMT 14 Oct 86

[Text] Kuala Lumpur, October 14 (XINHUA) -- The Chinese Vice Premier Tian Jiyun arrived here this evening for a 5-day official visit to Malaysia at the invitation of the Malaysian Government.

The Chinese vice premier, who had just concluded his four-day official visit to Singapore, was warmly received at Kuala Lumpur Subang international airport by the Malaysian primary industries Minister Lim Keng Yaik and the Deputy Minister of the Ministry Radzi Sheikh and other officials.

It is believed that the trade ties and the economic cooperation between China and Malaysia will be discussed in meetings between the leaders of the two countries.

This is the second leg of Tian's ASEAN countries trip. After visiting Malaysia, the Chinese delegation will visit the Philippines and Thailand.

Visits Economic Planning Unit

OW151149 Beijing XINHUA in English 1132 GMT 15 Oct 86

[Text] Kuala Lumpur, October 15 (XINHUA) -- Chinese Vice-Premier Tian Jiyun, who arrived here from Singapore last night, visited the Malaysian Economic Planning Unit this morning.

Tian Jiyun and his party were warmly received by the director of the Manpower Resources Section of the unit Encik Abu Bakar Karim and other officials of the unit.

The unit is the central staff agency of the Malaysian Government for Planning National Economic Development. It acts as the secretariat to the National Planning Council, the National Development Planning Committee, the Foreign Investment Committee and the economic panel.

Visits Malaysian Central Bank

OW151617 Beijing XINHUA in English 1549 GMT 15 Oct 86

[Text] Kuala Lumpur, October 15 (XINHUA) -- Chinese Vice Premier Tian Jiyun visited the Bank Negara Malaysia (Malaysia's Central Bank) here this morning and had talks with governor of the bank Jaffar Hussein on cooperation between the two countries.

The governor and other officials of the bank briefed Tian on the development and operations of the bank.

The bank was established on January 26, 1959. Its net international reserves rose by 2.8 to 12.5 billion ringgit (5,161 million U.S. dollars) by the end of last year, equivalent to nearly five months of retained imports.

It introduced a number of measures in 1985 to strengthen the banking institutions and promote public confidence, and protect the banking system from the adverse effects of an economic downturn on its loans portfolio.

On SRV Cambodia Withdrawal

OW151644 Beijing XINHUA in English 1613 GMT 15 Oct 86

[Text] Kuala Lumpur, October 15 (XINHUA) -- The relationship between China and Vietnam cannot be improved before Vietnam withdraws its troops from Kampuchea, Chinese Vice Foreign Minister Liu Shuqing said here today.

Liu, who is accompanying Chinese Vice Premier Tian Jiyun on an official visit to Malaysia, said this during his meeting with Malaysian Deputy Foreign Minister Kadir this morning.

China is not even interested in talking with Vietnam unless it withdraws its troops from Kampuchea, and there has been not much progress in relations between China and the Soviet Union as the Soviets are obstinate on the Kampuchean issue, he said.

The Kampuchean issue was the main topic of the meeting this morning. Both sides agreed that it is necessary to continue to support the just struggle by the resistance forces of Democratic Kampuchea, led by its President Samdech Norodom Sihanouk, to the final victory.

Liu said that it is also necessary to continue the efforts to force Vietnam to withdraw its troops from Kampuchea so that the Kampuchean people can be resolved soon. He also reiterated China's stand on supporting the eight-point proposal put forward by the Coalition Government of Democratic Kampuchea.

China supports a non-socialist government in Kampuchea and wants to see a neutral, independent and non-aligned Kampuchea, the Chinese vice foreign minister said.

Tian Jiyun and his party arrived in Kuala Lumpur last night.

Meets Malaysian Leaders

OW151915 Beijing XINHUA in English 1710 GMT 15 Oct 86

[Text] Kuala Lumpur, October 15 (XINHUA) -- China and Malaysia are willing to further strengthen their relations and cooperations in trade, investment, shipping and aviation sectors.

This was expressed here today during the talks between Chinese Vice-Premier Tian Jiyun, who arrived here yesterday for a five-day official visit, and Malaysian Deputy Prime Minister Ghafar Baba.

Ghafar Baba said his government has attached importance to the relationship between China and Malaysia. Malaysia wants to broaden trade with China and to strengthen cooperation in joint ventures, he added.

Tian said that China and Malaysia enjoy a good and close relationship and their economic cooperations have been promoted further since Malaysian Prime Minister Dr Mahathir Mohamad visited China last year.

"The main purpose of my visit is to try to find new ways to increase the economic cooperations of our two countries," the Chinese vice-premier said.

Both sides hoped to sign a trade agreement to further activate the trade relations.

Meanwhile, Malaysian Foreign Minister Datuk Rais Yatim disclosed that during discussions between the government officials and the Chinese delegation headed by Tian, Malaysia was looking into the possibilities of joint ventures while China was keen to have an air services agreement.

Malaysia has suggested China's promotion from an observer to a formal member in the association of tin producing countries, the foreign minister said.

He said the Chinese officials were briefed on the concept of a zone of peace, freedom and neutrality and also the concept of a nuclear-free zone of the association of Southeast Asian nations.

Malaysia also expressed appreciation for China's stand on the Kampuchean issue, Datuk Rais added.

Honored at Dinner

OW152103 Beijing XINHUA in English 1906 GMT 15 Oct 86

[Text] Kuala Lumpur, October 15 (XINHUA) -- Malaysian Deputy Prime Minister Ghafar Baba said tonight that Malaysia and China agreed that "there should be no more Kampuchea a la Vietnam, Vietnam a la the United States and Afghanistans a la the Soviet Union."

At a dinner to honor the visiting Chinese Vice Premier Tian Jiyun, who arrived yesterday for a five-day official visit, Ghafar said that China can and will play a positive role in world affairs, particularly in Southeast Asia.

"Malaysia on its part will continue to play a role that is supportive of ensuring a durable peace and stability in Southeast Asia," Ghafar said.

On the economic relations between China and Malaysia, the deputy prime minister said, "Direct trade would reinforce our respective trade potential and economic well-being."

In his responding toast, the Chinese vice premier said that China's major task is to promote its modernization program. To that end, China longs for lasting international peace and sincerely seeks friendship and cooperation from the people of all countries.

"China and Malaysia are friendly neighbors. The establishment of diplomatic relations between China and Malaysia has further increased the time-honored friendship between our two countries," Tian said.

He said that China and Malaysia should work together to explore new forms of cooperation on the basis of steadily enhancing mutual understanding and according to the principle of equality and mutual benefit.

He expressed appreciation for the Malaysian Government's neutral and non-aligned policy, its support for those struggles opposing aggression and expansion and safeguarding national rights, its hard work for peace and stability in Southeast Asia and its efforts to change the irrational international economic order.

QUEEN ELIZABETH CONTINUES HISTORIC VISIT TO PRC

Li Xiannian at Return Banquet

OW151603 Beijing XINHUA in English 1539 GMT 15 Oct 86

[Text] Shanghai, October 15 (XINHUA) — British Queen Elizabeth II gave a return state banquet on board the royal yacht "Britannia" at pier here tonight.

The queen and her husband Prince Philip welcomed aboard Chinese President Li Xiannian, his wife Lin Jiamei, State Councillor and Foreign Minister Wu Xueqian, and Shanghai Mayor Jiang Zemin.

The banquet began amidst joyful music played by the royal band.

The queen proposed a toast first.

She said she was delighted that President Li Xiannian and other guests were able to travel to Shanghai for her return state banquet.

She said Prince Philip and she were most grateful for the admirable arrangements which had been made for their current visit to China. "We shall remember the visit for a very long time," she added.

The queen asked President Li to join her in a toast to the continued and deepening friendship between the two peoples.

Thanking the queen for the warm hospitality, President Li said, "It gives us a great pleasure to be able to attend the magnificent banquet hosted by the queen on the royal yacht 'Britannia'."

"I am convinced that the queen's current visit to China will have a far-reaching impact on the further development of the friendly relations and cooperation between the two countries and the friendship between our two peoples," he said.

He asked the queen and the prince to convey the cordial greetings and best wishes of the Chinese people to the British people upon their return home.

The banquet was followed by a reception the queen gave on the royal yacht for two hundred people from various walks of life.

Queen Visits Shanghai Garden

OW151454 Beijing XINHUA in English 1438 GMT 15 Oct 86

[Excerpt] Shanghai, October 15 (XINHUA) — Queen Elizabeth II had a taste of the traditional way of life of the local residents, when she sipped Chinese tea in the 400-year-old "Yuyuan" Garden here this afternoon.

The Queen, who looked very much relaxed, drank almost two small cups of "long jing" (dragon well) tea, one of the best varieties in China, while chatting with Chinese Foreign Minister Wu Xueqian and Shanghai Mayor Jiang Zemin.

The elegantly laid-out "Yuyuan" Garden in the old sector in southern Shanghai attracts large numbers of tea drinkers and tourist everyday, providing a retreat amidst the metropolitan rush of China's largest industrial and commercial city. [passage omitted]

Visits Tomb of First Emperor

HK160938 Hong Kong AFP in English 0855 GMT 16 Oct 86

[Excerpt] Xian, China, Oct 16 (AFP) — Queen Elizabeth II visited the tomb of the first emperor of all China here Thursday, walking among life-size terracotta warriors who have guarded the approach for more than 2,000 years.

Some 12,000 policemen, 7,000 in uniform and 5,000 in plain clothes, had been mobilized to control the hundreds of thousands of people who lined the road in the ancient west China capital and along the 50-kilometre (30 miles) route to and from the tomb during the royal party's three-hour stopover, officials said.

More than 1,500 schoolchildren and young people had been bussed to the airport for a five-minute welcoming ceremony that included a drum and bugle corps and dancers and acrobats in ancient Chinese costume.

The queen, wearing a white and pale jade checkered skirt and matching jade jacket and hat, white gloves and white shoes, was welcomed by local officials led by Shaanxi Governor Li Qingwei as she stepped from the small royal jet that brought her from Shanghai.

As she stepped into the Red Flag limousine for the 40-minute drive to the tomb a light rain began to fall.

At the excavation site of the terracotta warriors the queen and her husband, Prince Philip, the Duke of Edinburgh, listened attentively as a young woman, speaking through an interpreter, explained the statues and the history of Qin Shihuangdi, the first emperor to unify China, who died in 209 A.D. [date as published]

More than 6,000 of the statues, each of which was distinct facial features, have been uncovered since the underground formation was first discovered by peasants digging a well in 1974.

Prince Philip seemed particularly interested in the terracotta warriors, walking several paces into the excavation to examine them more closely.

The queen and Prince Philip also visited a small museum near the excavation where a bronze chariot and bronze horses unearthed at another site nearby were displayed.

Several British students studying Chinese at Xian's Northwestern University were presented to the queen, who chatted privately with them for several minutes.

Roads on the queen's route were cleared of all traffic but public buses, which stopped at the roadside as passengers pressed against the windows to glimpse the motorcade.

At the multi-tiered 600-year-old belltower in the centre of the city a large red banner in English welcomed the queen and Prince Philip, while children waved miniature Chinese and British flags. [passage omitted]

TA KUNG PAO Views Relations

HK140433 Hong Kong TA KUNG PAO in Chinese 14 Oct 86 p 1

["Political Talk" column by Shia Chun-yu (2457 0689 3768): "The Development of Sino-British Relations Greatly Benefits Hong Kong"]

[Text] Spontaneous Welcome From the Masses [subhead]

The welcoming ceremony held in Beijing yesterday morning fully demonstrated the hearty welcome the Chinese people extended to the British queen. When the British queen arrived in Beijing, the more than 100,000 people in front of Tiananmen Square welcomed her spontaneously. When she visited the Palace Museum, many ordinary people were there. They rejoiced to have such an excellent opportunity to see the elegant demeanor of the British monarch. All this shows that China's open policy is greatly different from that in the past.

In their speeches at the state banquet last night, both President Li Xiannian and the British queen pointed out the broader and brighter prospects for Sino-British relations in the future. Both sides said that they expect that, following the satisfactory solution of the Hong Kong question, relations between the two countries will be closer and that they will cooperate more extensively. While speaking highly of China's policies of opening up and of reform, the British queen indicated that Britain is quite ready to, and believes it can, contribute to the realization of China's future plans, fully expressing her desire to maintain a friendly relationship with China.

Indirect Praise to the Policy of "One Country, Two Systems" [subhead]

Great Britain is an important country in Western Europe, a principal member of the Common Market, and the leader of the British Commonwealth. The friendly cooperation between China and Great Britain is, in fact, a further deepening of China's relations with Western Europe, thus forming a stabilizing force for world peace that should be reckoned with. This is in keeping with the interests of China, Britain, and Western Europe and, to a large extent, the interests of the people of the world.

In her speech, the British queen indirectly mentioned the wisdom and farsightedness of the policy of "one country, two systems." In her view, the fact that today's British-Chinese relations are closer than ever before should be attributed to both parties which have jointly designed a method of solution for the future of Hong Kong. She said that she also firmly believed that "the spirit of cooperation built up the 2 years since the signing of the Joint Declaration will continue to lay a reliable foundation for the imaginative policy incorporated in the document."

Learn From Each Other Economically To Make Up for Each Other's Deficiencies [subhead]

Mrs Thatcher praised China's policy of "one country, two systems" as "imaginative" and "feasible." Facts have proven that the policy of "one country, two systems" not only conforms to China's national conditions and is practicable but also provides a precedent of referential value in solving international disputes in some regions.

Li Xiannian pointed out that Britain is a country with a highly developed economy and technology, while China has not completely gotten rid of its economic and technological backwardness. For this reason, China is determined to build itself into a powerful, modern socialist country through the unremitting efforts of people over several generations. This is precisely a realistic assessment of China's present condition. [pargarph continues]

By developing the economy and learning from each other to make up for each other's deficiencies, this relationship of friendly cooperation will be more consolidated through the British queen's visit to China.

A Guarantee of Hong Kong's Stability and Prosperity [subhead]

The all-round and rapid development of Sino-British relations constitutes a reliable guarantee of Hong Kong's future. Hong Kong's social system will remain unchanged for 50 years after 1997. Through cooperation and exchanges between China and Great Britain, as well as Hong Kong, the modernization drive on the mainland will develop tremendously, and the living standards in the two places will be much closer. This prospect has been more clearly manifested through the British queen's visit to China.

SINO-BRITISH ECONOMIC RELATIONS TRADE DEVELOP

HK141512 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0845 GMT 14 Oct 86

["Sino-British Economic and Trade Cooperation Steadily Develops" — ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 14 Oct (ZHONGGUO XINWEN SHE) — Economic and trade cooperation between China and Britain is steadily developing. Since the Sino-British Joint Declaration on the Hong Kong issue was published, trade between the two countries has been further expanded.

At present, Britain is China's second largest trading partner in Western Europe next to the FRG. In 1985, the volume of trade between China and Britain increased by 20 percent over that in 1984. China mainly exports cotton, hog bristles, tea leaves, frozen rabbit and other farm, native, and mineral products, as well as textile goods, to Britain. In particular, China's garments, carpets, and footwear exported through Shanghai have good markets in Britain. China mainly imports copper, steel products, synthetic fiber, instruments, and equipment from Britain.

In recent years, economic and technological cooperation between the two countries has also made substantial progress, and the forms of cooperation have become more diverse. Apart from the direct import of technologies and equipment, the two sides have also adopted such forms as setting up joint ventures, carrying out cooperative production and development projects, and conducting compensation trade. By the end of last year, 13 Sino-British joint ventures had been set up, and four of them are located in Shanghai. They are the Shanghai Yaohua Pierjindun Glass Corporation, Shanghai Lianhua Corporation, Hongbaoshi Food Plant, and the Luhai Yingzhijie International Container Shipping Corporation. Shanghai has imported more than 40 technological projects from Britain, including a stainless steel blade production line, draining pump production technology for use in mines, a food can production line, and laser examination equipment, with a total value of more than \$40 million.

According to a proposal put forth by the British side, a Sino-British economic and trade cooperation discussion meeting will be held in Shanghai on 14 and 15 October. It is expected that economic relations and trade between the two countries will achieve new developments.

SINO-BRITISH TRADE SEMINAR OPENS 14 OCTOBER

OW141916 Beijing XINHUA in English 1657 GMT 14 Oct 86

[Text] Shanghai, October 14 (XINHUA) — A two-day Sino-British trade and economic cooperation seminar opened on board the royal yacht Britannia here today.

The seminar, organized by the British Overseas Trade Board to promote economic ties between the two countries, is held at a time when Queen Elizabeth II is visiting China. The queen has made her yacht available for the seminar to show the importance she attaches to the event.

On the first day of the seminar, dubbed "Sea Day," 36 senior members of a delegation of British industrialists and traders representing various British firms, and 65 senior Chinese industrial and trade officials huddled in the royal dining room for discussions as the royal yacht sailed down the Huangpu River to the mouth of the Yangtze River.

Representatives of British firms explained to their Chinese colleagues their expertise in the development of energy, transport, telecommunications, food processing, mining and metallurgy, all top priorities in China's current Seventh Five-Year Plan for socio-economic development.

Speaking at today's opening ceremony, Sir James Cleminson, chairman of the British Overseas Trade Board, expressed the hope that the seminar would help strengthen future ties of friendship and cooperation between China and Britain to the benefit of both countries.

Tomorrow, "Land Day" the 110-member British delegation will invite their Chinese counterparts to discuss 25 prospective cooperation projects at two local hotels. The projects include joint ventures in manufacturing steel, airplane engines and aircraft, technology transfers and two-way trade.

A British Embassy official told XINHUA that agreements were expected to be signed on 12-14 projects at the end of tomorrow's discussions.

The delegates to the seminar had their lunch on board, the menu of which had been personally approved by the queen. They also heard music played by the Royal Marine Band and inspected the ship.

Sino-British trade, first started by British merchants who came to China by sea in the 19th century, has witnessed fast development since the founding of the People's Republic of China. The trade volume between the two countries now stands at 1,427 million U.S. dollars, 20 times more than in 1950.

Since 1978, the Chinese and British Governments have signed a dozen agreements for cooperation in the fields of science and technology, nuclear energy, space technology, civil aviation, etc. Britain has invested over 300 million U.S. dollars in China, setting up 14 joint ventures and two cooperation enterprises. The biggest cooperation program between the two countries is Britain's involvement in the construction of the Daya Bay nuclear power plant in Guangdong Province neighboring Hong Kong.

Signing Contracts Ends Seminar

OW151444 Beijing XINHUA in English 1432 GMT 15 Oct 86

[Text] Shanghai, October 15 (XINHUA) -- The Sino-British Trade and Economic Cooperation Seminar, the largest ever held between the two countries, ended here today with the signing of 13 documents on cooperation projects.

These documents include agreements, memoranda and letters of intent.

Among the agreements are those on a joint-venture iron and steel complex in Ningbo in east China, a major Yangtze Delta telecommunications project, food processing projects, urban electricity supply, telecommunications equipment production and automobile bearing production.

The largest of these, the joint-venture Beilun Iron and Steel complex in Ningbo, will have an annual production capacity of three million tons of steel. The total construction cost is estimated at four billion U.S. dollars, which will be covered by foreign loans. The complex, when completed, will rank among the world's most technically advanced steel enterprises.

Another agreement, signed between the Chinese Ministry of Posts and Telecommunications and the Cable and Wireless Group of Britain, covers the development of telecommunications facilities in the Yangtze Delta area. It will help provide some 1,000 km of digital trunk microwave and five long distance toll exchanges, linking 27 cities and towns in Jiangsu and Zhejiang Provinces. Total project cost, including civil work, is estimated at 15 to 20 million U.S. dollars.

These agreements are the result of discussions by representatives of 70 British firms and their Chinese counterparts on 25 specific projects today, the second day of the seminar.

Speaking at the signing ceremony, Sir Eric Sharp, president of the Sino-British Trade Council, wished all the participants every success in the implementation of the agreements signed and hoped that other projects discussed today would reach satisfactory results.

He said that the seminar, with over four hundred people pursuing trade opportunities, represented a major step forward in the developing relations of trade between the two countries.

"We are delighted to have reached a deeper level in our friendly relations with our Chinese partners," he added.

XINHUA INTERVIEWS BRITISH BUSINESS LEADER

OW140526 Beijing XINHUA in English 0253 GMT 14 Oct 86

[Text] London, October 13 (XINHUA) -- The British hope to do more for China's development, said a British member of Parliament and business leader here today.

In an interview with XINHUA, James Prior, a member of Parliament and chairman of the General Electric Company (GEC), the biggest electronics company in Britain, said it is to Britain's advantage politically and economically to do business with China.

"Over the years we had a mixed relationship, but now with the Hong Kong issue being settled, we have number of advantages because there is understanding between the British and Chinese," said Mr. Prior.

He said "with the visits of Chinese General Secretary Hu Yaobang, the Prime Minister Zhao Ziyang and the Vice Prime Minister Li Peng, China knows Britain well."

Mr. Prior will chair an important business conference on China here on Thursday. He spoke highly of the industrialization taking place in China as a remarkable event.

"China is certainly the last greatest growing market in the world by far. They need development, first of all for power from variety of resources. We have the ability to supply the market," noted Mr. Prior.

At the same time he noted China is short of foreign currency, so the British need to find ways of making it possible for Chinese exporters to earn hard currency to pay for what they buy.

As far as GEC was concerned, Mr. Prior said it might be possible to buy coal from China to use in power stations elsewhere. The company could also try to develop some joint companies in China for exporters to earn hard currency.

Mr. Prior said the purpose of the up-coming conference on China in London is to show the importance of the Chinese market and to teach industrialists how to tackle the market by hearing about the practical experiences of people who have already exported to China. "It is a good time to hold the conference because it coincides with the queen's visit which is arousing interest in China at the moment," said Mr. Prior.

GEC has recently signed a big contract with China for constructing the daya bay nuclear power station in guangdong province.

SINO-FRENCH OFFSHORE OILFIELD IN PRODUCTION

OW151817 Beijing XINHUA in English 1636 GMT 15 Oct 86

[Text] Guangzhou, October 15 (XINHUA) -- The Wei 10-3 oilfield, a Sino-French cooperation zone in the South China Sea, went into production today with a daily output of 10,000 bbl.

The oilfield is being developed by the China Nanhai Western Petroleum Corporation and total CFP of France. Since the contract was signed in 1980, experts have decided that the petroleum deposits in this area possibly reach 270 million bbl. The development of the oilfield started in early 1985.

"Seeking cooperation from abroad to develop oilfields on land and sea is part of China's open policy," said State Councillor Kang Shien at today's ceremony to mark the startup of production.

Since China opened the first round of bids for offshore oil contracts to foreign firms in 1980, some 23 foreign petroleum companies have signed contracts to work in the South China Sea. In addition, 43 companies from 12 countries are in China prospecting for or exploiting oil resources.

LI XIANNIAN MEETS WITH SPANISH PRINCESS

OW102130 Beijing XINHUA in English 1452 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) — Chinese President Li Xiannian said here today that the frequent exchange of visits by the senior leaders of the two countries has further promoted the friendly relations between China and Spain.

"We are satisfied with this," Li Xiannian said at a meeting with Princess Maria de Pilar de Dordon, the Spanish king's elder sister, here this afternoon.

He said the two countries long for peace and progress and are opposed to war. He also recalled with pleasure his friendly visit to Spain in 1984. Li once again invited Spanish King Juan Carlos and queen to visit China.

Princess Pilar conveyed King Juan Carlos' greetings to President Li Xiannian. She said strengthening the mutual understanding between the two leaders and the two peoples is useful.

The princess' husband Luis Gomez-Acebo (Badajoz) was present on the occasion. Also present were President of the Chinese People's Institute of Foreign Affairs Han Nianlong, and Spanish Ambassador to China Mariano Ucelay de Montero.

Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and President of the All-China Women's Federation, met and feted the princess and her party at noon today.

SWEDISH PRIME MINISTER MEETS CPC DELEGATION

OW031336 Beijing XINHUA in English 1321 GMT 3 Oct 86

[Text] Stockholm, October 2 (XINHUA) — Swedish Prime Minister Ingvar Carlsson met here today with a visiting delegation of the Communist Party of China (CPC). The Chinese delegation, headed by director Zhu Liang of the International Liaison Department under the CPC Central Committee, arrived here on October 1 for a week-long visit to Sweden.

Carlsson, also chairman of the Swedish Social Democratic Party, expressed his satisfaction over the development of the Sino-Swedish relations in various fields and said he is looking forward to his visit to China next April.

Zhu Liang conveyed greetings of Chinese leaders Hu Yaobang and Zhao Ziyang to the Swedish Prime Minister. He also expressed appreciation of the contribution of the Swedish Social Democratic Party to the maintenance of world peace and relaxation of world tension.

Present on the occasion were Secretary Bo Toresson of the Central Committee of the Swedish Social Democratic Party and Chinese Ambassador to Sweden Wu Jiagan.

The relations between the Chinese Communist Party and the Swedish Social Democratic Party were established during Toresson's visit to China last November.

KYODO ON SPECULATION OVER YE JIANYING'S HEALTH

OW160341 Tokyo KYODO in English 0338 GMT 16 Oct 86

[Text] Hong Kong, Oct. 16 KYODO -- There is speculation here that the health of China's aged leader Ye Jianying may be worsening.

Speculation arose after the Hong Kong newspaper, the WEN WEI PO, reported here Thursday that his son, Governor Ye Xuanping of Guangdong Province, failed to attend the opening ceremony for the seasonal autumn trade fair, held in the provincial capital of Guangzhou Wednesday, because he had to return to Beijing on an urgent matter.

Ye, 89, now vice chairman of the Central Military Commission of the Communist Party, is one of China's pioneer revolutionary leaders along with the late chairman Mao Zedong, the late premier Zhou Enlai and senior leader Deng Xiaoping.

WEN HUI BAO PROMOTES SPIRITUAL CIVILIZATION

OW090417 Shanghai WEN HUI BAO in Chinese 2 Oct 86 p 1

[WEN HUI BAO commentator's article: "Step Up building Spiritual Civilization and Promote Reform, Opening"]

[Text] The 6th Plenary Session of the 12th CPC Central Committee, which has just triumphantly concluded, adopted the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization." This is a programmatic document to guide the healthy development in building spiritual civilization in our country. The adoption of the resolution and the stepped-up building of socialist spiritual civilization will have both major short and long term significance in guaranteeing the smooth development of socialist modernization.

The resolution stressed: "The overall scheme of China's socialist modernization is as follows: Taking economic development as the key link, we are to continue reforming our economic and political structures and speed up building spiritual civilization, making sure that these aspects of our work are coordinated and promote each other." This clearly shows the strategic position of building socialist spiritual civilization. It also clearly shows at the same time that overall reform and building spiritual civilization are integral parts that develop closely with economic construction.

For quite some time, people have had misconceptions about the relation between overall reform and the building of spiritual civilization. There were two representative views. First, when economy is up, spiritual pursuit will be down. Second, some negative phenomena within the party and society were caused by the reform and opening, hence requiring spiritual civilization for remedy. In this sense, reform, opening, and building spiritual civilization are like two different things. We feel this is a misunderstanding. Only through understanding and grasping the nature of a united and inner association between the overall reform and building spiritual civilization can we dispel the confusion brought about by fuzzy comprehension and complex social phenomena; and correctly and resolutely implement the guiding principles laid down by the CPC Central Committee.

As a matter of fact, the CPC Central Committee has always considered the overall reform and building of spiritual civilization as part of the general goal of socialist modernization.

In addition to shifting the main emphasis of the party's work, the Third Plenary Session of the 11th CPC Central Committee stressed that "modernization calls for a big rise in productivity, which inevitably requires changes in production relations, in superstructure, management styles, ways of doing things, and modes of thinking that are incompatible with enhancing productivity." These were later included in the resolution on the building of spiritual civilization. The 12th CPC Congress laid down correct programs and a series of principles and policies for all-round creation of new situations in socialist modernization construction. In addition to systematically expounding organizational and economic structural reforms, the 12th CPC Congress also laid down the strategy to develop together high material and spiritual civilizations. The "Resolution of the Central Committee of the Communist Party of China on the Reform of the Economic Structure" adopted at the 3d Plenary Session of the 12th CPC Central Committee pointed out: "The reform of the economic structure will not only cause great changes in people's economic life, it will also bring major changes in people's way of life, and their spiritual conditions." The resolution stressed at the same time that the lifestyle that is civilized, healthy, scientific, that is compatible with demands of modern productivity enhancement and social progress; and the positive, go-getting spirit are all important factors in building socialist spiritual civilization, and powerful forces to propel economic structural reform and material civilization construction. This wholly shows the dialectical relations of inter-association and function between the overall reform and building spiritual civilization. Now the CPC Central Committee has again expounded in depth the relation of inter-coordination and promotion between the overall reform and the building of spiritual civilization, and provided the general guiding thought to promote socialist modernization construction. It is apparent that the thought and attempt to put overall reform in opposition against building spiritual civilization are contrary to the correct programs, principles, and policies upheld since the 3d Plenary Session of our party's 12th Central Committee.

What, in fact, have reform and the opening done to the building of spiritual civilization, after all? The answer is positive. On 4 January this year, WEN HUI BAO published a commentator's article entitled "Reform and the Opening, and the Building of Spiritual Civilization," which systematically explained the positive contribution in various fields, including conceptual transformations, theoretical developments, and changes in the people's spiritual life and mental state. The realities over the past half year or so have further testified to these changes. For example, research on strategy for cultural development, lively theoretical study and academic activities on developing a socialist commodity economy, and a democratic and harmonious atmosphere in the ideological field have been reported in Shanghai, Guangzhou, and other places. Now, we are more convinced than ever that the comprehensive reform and the opening to the outside world have invigorated the cause of socialism and given a strong impetus to the building of spiritual civilization.

We should admit that people's correct understanding of the relationship between the comprehensive reform and the building of spiritual civilization has been hindered mainly by some negative phenomena in the Chinese people's spiritual life. These negative phenomena include inroads of decadent capitalist ideas, evil practices of embezzling state and collective funds, unhealthy tendencies of power abuse to the detriment of an improvement in party style and general social conduct, pervasive decadent feudal ideology that runs counter to socialist democracy, and so forth. Although we must be aware of the seriousness of these problems, it is also necessary to ask ourselves the question: Are these negative phenomena inherent in or brought about by the reform? Obviously, they are not. In the course of comprehensive reform, such negative phenomena are hardly avoidable. The old system is gradually losing its influence, while the new system still cannot properly exercise its functions; thus the development of socialist commodity is incomplete and imperfect. [paragraph continues]

However, these negative phenomena would exist even without the reform. It is necessary to point out emphatically that they are absolutely not to be tolerated in the goals, tasks, principles, and measures of the comprehensive reform. A sober analysis will clearly show that the reform encourages competition for excellence, but it never advocates ultra-individualism to the detriment of state and collective interests; that the reform allows a portion of people to become better off first in the course of common prosperity, but it never connives at economic crime; and that the reform demands cadres imbue themselves with a pioneering spirit, but it never allows them to abuse their power. On the contrary, the unhealthy tendency to abuse power stems from the feudal ideology, which we are trying to eliminate through developing socialist democracy and a socialist commodity economy. The root cause of evil practices that run counter to the principle of becoming better off through hard work lies in the bourgeois ideology of exploiting other people's toil, which we are trying to ultimately stop by establishing a market-oriented socialist commodity economy. How can these negative phenomena be called products of the reform? Judging by the criterion of "making the country strong and prosperous and the people better off," which the reform upholds, they are basically incompatible with the reform.

Due to the protracted influence of erroneous "leftist" ideology and certain traditional concepts, especially the harmful effects of the "Great Cultural Revolution" on ideals, morality, general knowledge, and discipline, these negative phenomena can by no means be eliminated in a few years. Similarly, new ideas, concepts, and behaviors suitable for the modernization program cannot receive their due attention immediately. For example, the concepts of talented personnel, competition, and efforts to catch up with and surpass others were once attacked as individualism; and the people's legitimate demands and activities for making a better life through honest labor were criticized as bourgeois lifestyle. Although new ideas, lifestyles, and forms of activities have emerged along with the progress of reform, their existence and development have clashed with old spiritual forces and risked the danger of being temporarily regarded as erroneous. Moreover, the gradual establishment of an accurate scientific assessment must go through a long period and endure more tests than new spiritual forces. Therefore, it is necessary to assume a sober and prudent attitude in assessing a phenomenon in the spiritual realm. Especially we should not hastily and erroneously regard a spiritual force, still in the process of formation, as spiritual garbage. In a certain sense, complexity in the spiritual realm is a manifestation of the vitality of reform, as well as an expression of continuous self-improvement by spiritual civilization in the course of its building. It is obviously inappropriate to rashly call the advent of such a situation an evil tendency, while failing to see its positive factors.

With the deepening of reforms and the development of opening to the outside world, the flow of culture between different nations is inevitably facilitated. When the "window" of opening to the outside world is opened, it will be inevitable that some "flies" and "mosquitoes" will enter, not to mention that "flies" and "mosquitoes" already exist in our country. The inevitable mutual contact between socialist spiritual civilization and capitalist spiritual civilization makes for strong collision. We must distinguish between the good and the bad and choose the beneficial foreign spiritual substance to improve the building of our own spiritual civilization; of course during the process it is very difficult for us to avoid being tainted with some dirt. We certainly must oppose, boycott, and resolutely abandon the exploiting and oppressive capitalist ideology and social system, and all other repulsive and decayed capitalist aspects. However, we must look sharp and correctly analyze them. We must not fly into a panic at the mere rustle of leaves in the wind, let alone regard everything in foreign lands as heterodoxy and reject it. We should have this conviction: Socialist spiritual civilization with Marxism as its guidance is an extraordinarily staunch spiritual power. [paragraph continues]

It is never weak. It will grow increasingly richer and more powerful through its mutual interaction with foreign spiritual substance.

The question can be boiled down to this: Shall we think of overall reform as conflicting with building spiritual civilization and promote spiritual civilization by limiting reform, or shall we further promote socialist spiritual civilization and gradually eliminate negative phenomena in the process of deepening reforms and implementing the policy of opening to the outside world? Only the latter is the correct conclusion. The former is wrong. It can only stifle our vigor in building spiritual civilization and eventually obstruct the deepening of reforms and the implementation of the policy of opening to the outside world.

The development of socialist spiritual civilization is not passive. It should and must be called upon to play a dynamic role in combining the processes of economic and social development. It should play an active promoting role in making reforms, including acting as the leading ideological guiding role. The Resolution stresses: "Because our work in promoting socialist culture and ideology is of strategic importance, we must ensure that it is capable of pushing forward China's socialist modernization, promoting the all-round reform and the opening to the outside world, and embodying the four cardinal principles." Now we can clearly see the development of spiritual civilization is needed to pave the way for each advance our reform makes.

The building of spiritual civilization supplies all-round reform with theoretical guidance. In building spiritual civilization, we must adhere to Marxism. We must use the development of Marxism in the new historical condition to promote reform and modernization. We must take a scientific attitude, proceed from reality, study the new situations, new experiences, and new questions in socialist modernization and all-round reform, and explore the law of building socialism with Chinese characteristics. In addition, we must study new changes in the contemporary world and various ideological trends in the contemporary era, and critically absorb and condense the latest achievements in all branches of science. This is our Marxist theorists' task in the new period. The richness and development of Marxist theory will certainly supply the deepening of all-round reform with a powerful theoretical weapon.

Building spiritual civilization is an embodiment of all-round reform. To build socialism with Chinese characteristics and make China a strong modern socialist country is the common ideal of the people of all our nationalities at the present stage. Inspired by this common ideal, the building of spiritual civilization will closely unite all people who should and can be united and bring all positive socialist factors into full play. This common ideal is a necessary stage for turning the highest ideals of communism into a reality. The integration of this common ideal with our development goals in all fields and present construction tasks, and with the duties and human pursuits of society's members, will certainly inspire more and more people to devote themselves to construction and reform, work hard, build up the country through thrift and hard work, and be dedicated to their cause in a down-to-earth way. The building of socialist ethics will also link and guide people with varying extent of awareness to improve together and crystallize the strong spiritual power of hundreds of millions of people. This is precisely what we need in order to deepen our reform.

The building of a spiritual civilization will provide a cultural background for all-round reform. Here, cultural background denotes people's thinking, concepts, and mentality. In our country, the influence of a small-scale production and natural economy opposed to socialist commodity economy is still deep-rooted. Problems in the current reform often have something to do with this influence. The building of a spiritual civilization will help people get rid of this heavy load on their minds, establish new values suited to socialist commodity economy, and enhance their positive enterprising spirit. [paragraph continues]

This also meets the needs of furthering the all-round reform.

The building of a spiritual civilization will inspire a scientific attitude for the all-round reform. Education, science, and culture are important conditions for building material civilization, as well as important conditions for raising the people's level of ideological and moral awareness. The building of spiritual civilization will help popularize and improve scientific and general knowledge and promote a spirit of knowledge-seeking and respecting science among the people. The force of science will change outmoded social values and become the foundation of people's cultural life, on which a high-efficiency social order will be established. We should use the new knowledge, new achievements, new methods, and new standpoints of natural science to enhance people's intelligence and enrich their thought. This will not only enhance people's ability to transform the objective world, but also inspire them to change their modes of thinking, adapt themselves to social change, and promote social change in the course of improving their way of life.

In the final analysis, "the basic task in building a spiritual civilization is to help people become well-educated and self-disciplined socialist citizens with lofty ideals and moral integrity, and to raise the ideological and ethical standards, as well as the educational and scientific levels, of the whole nation -- all in the interest of socialist modernization," just as the resolution has emphasized. We may say that the building of a spiritual civilization is a great engineering project for comprehensively improving people's quality and creating a generation of new socialist persons. It will make people adapt their vision, thinking, concepts, mentality, and intelligence to the needs of China's socialist modernization. They will become a new generation with lofty ideals, moral integrity, education, a sense of discipline, and a devotion to the socialist cause. Such people, of course, want self-development and will have a subjective initiative. They of course want the socialist system to constantly perfect itself in the reform and opening to the outside world.

After fully drawing on historical lessons, our building of a spiritual civilization has embarked on a new and broad path of development in accordance with the overall plan for socialist modernization. We should get into action and concentrate on uniting the people, bringing into full play their socialist initiative and creativity. We should strive to satisfy the people's cultural needs, strive to strengthen ideological and moral education, promote the development of education, science, and culture, and finally promote the development of the productive forces. In this way, we will surely be able to raise the level of our spiritual civilization, create a generation of new capable people dedicated to building socialism, ensure a smooth proceeding of the all-round reform and opening to the outside world, and make progress in socialist modernization.

LIAOWANG INTERVIEWS XIA YAN ON LITERATURE, ART

HK150829 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 6 Oct 86 pp 3-4

[Article by Yin Jindi (3009 6855 1229): "The 'Hot Spot' of the Chinese Literature and Art Circles at Present -- interviewing Xia Yan"]

[Excerpts] For some time, now, the Chinese literature and art circles have been quite active in their thinking. Contention is rather intense with everyone talking about it. For this reason, the reporter interviewed Xia Yan, a forerunner of the literature and art circles, to listen to his views on the 'hot spot' issues in contention in the literature and art circles at present.

Xia Yan warmly received the reporter at home. He smiled frankly when he learned about the reporter's intention. He said: It seems that the Chinese literature and art circles are a bit confused at present. There's no end to the debates and discussions of many issues. This is a fine thing, because this was impossible in the past.

According to him, we are now in a period of sensible politics and harmonious human relations. Not only the full blossom and contention in art are possible, but questions in ideology can also be freely discussed in a relaxed and harmonious atmosphere. At present, the contention of a hundred schools of thought are not confined to "two schools: or "a single school." Contention inevitably involves some risks. Endless talks and discussions are not a bad thing; saying something wrong or exaggerating things a bit will no longer be threatened by big sticks. However, we should attach attention to one point, namely, our is a socialist country, and we want to build socialist spiritual civilization with Chinese characteristics. Our readers and audiences are primarily the 1 billion Chinese people. Contention also needs to be civilized, and attention should be attached to ways and means. We must seek truth from facts, and refrain from creating some atmosphere by running headlong into mass action. Academic discussion should be conducted dispassionately.

The Relations Between Blazing New Trails and Tradition [subhead]

This veteran writer, who once studied at a regular university, acquired a BS degree, and was active in the literary world believes that the topic at issue in the literature and art circles at present is the relations between blazing new trails and tradition. According to him, in a period undergoing such a great turning point and great reform, the needs of exploration and blazing new trails economically, politically, and ideologically are the irreversible main trend. In our literature and art thinking, we should certainly advocate and encourage blazing new trails. However, blazing new trails must be linked with China's actual conditions as well as the Chinese society and the Chinese people. At present, an atmosphere existed in the literature and art circles, people are flaunting things new, and opposing old things in general. It seems that everything new is fine, and all old things are bad, and even serving the people and linking them with practice are considered old concepts. First, they made politics fade, next realities, and then the plot. As a result, a nihilist attitude is adopted toward our national culture. Such practice is brave enough, but not necessarily wise.

Regarding the debate between Chen Yong and Liu Zaifu, Xia Yan believed it to be an academic issue. According to him, there is some sense in Chen Yong's Article; however, some of his statements were not appropriately put. There are places worth discussing in Liu Zaifu's views. For example, Liu's slogan that "The Entire People Should Repent" regarding the Cultural Revolution is not quite satisfactory. Xia Yan believed that this slogan did not fall in line with the CPC's persistent spirit of differentiating a handful of people from the rest of the people. For example, regarding Japanese aggression against China, the Japanese militarists should take up the responsibility, and the Japanese people should not require to repent. This is our persistent policy and position. [passage omitted]

Concerning the discussion in the press on movie censorship, Xia Yan held the view that movie "censorship" has been rather relaxed it is with the Ministry of Culture or the Central Committee Propaganda Department. Of the over one hundred feature films produced in 1985, only one or two failed to acquire the certificate for circulation -- namely, "The Dove Tree" and the "Gun Pointed at the Queen of Spades," because they involved the basic national policy.

Gossip Stopped With the Wise [subhead]

According to Xia Yan, the literature and art circles have always been very sensitive, but now they are being over sensitive. A casual remark of some leading member often ends a disturbance. This is an abnormal atmosphere, and the literature and art circles can be said to be a "hot spot." In recent years, rumors and gossip often emerge in the literature and art circles. Such practices as speaking on hearsay, making trouble out of nothing, and spreading so-called "inside stories" are rampant. For example, making a vivid description of a non-existent "love scene" in a movie, spreading the rumor that a literary work has been criticized by some leading members, then saying that "the above" has a "new spirit," and that a certain writer has been punished based on the party discipline. The literature and art circles have always been sensitive; with the ten years of disasters, they have developed into a state of "over sensitivity." Particularly when such gossips spread to Hong Kong and abroad, a small incident may become a terrible "disturbance" through the "processing" and transformation of some people, with those "export commodities turned to the home market." The so-called "Ma Ding incident" and the incident of the appraisal and discussion on the "Golden Rooster Award" are examples. Facts have proven that when things are dealt with appropriately, people will find them satisfactory. However, some Hong Kong and foreign press went in great length on those incidents. For example, the article of a foreign reporter on the "Golden Rooster Award" carried in the 5 July LOS ANGELES TIMES involved a wide range of issues, and he seemed to have channels to gossip of all sorts, which were added the author's own prejudices. But his theme remains essentially the same; in a nutshell, he aimed to say that the Chinese writers have not much creative freedom to speak of because of too much administrative intervention.

Regarding this, Xia Yan quoted the ancient saying "Gossip Stop With The Wise," and advised people not to easily fall in with gossip, more over, not to spread rumors for others. He said, under the condition of opening up to the world, some gossip at home may be utilized by people abroad, which will be transformed and spread in their views. Xia Yan said: "In fact, gossip isn't so terrible, but what is terrible is our oversensitiveness toward gossip. 'Oversensitiveness' is abnormal, which will give rise to 'disunity.'"

Xia Yan pointed out a pressing matter of the moment for the film industry is to upgrade the quality of movies. In order to achieve this, it is primarily necessary to upgrade the ideology quality, and the cultural attainment of the movie workers themselves. They should read more and understand more of the actual conditions of China -- the past, present, and future of China, and they should go and look at the seething line of the people, listen more to the people's opinions on movies, and produce more movies which are loved by the people.

In conclusion, he said: "Our reform has scored great and extraordinary accomplishments, which the foreigners have to acknowledge. However, we still have many difficulties at present as well as the future. The greatest difficulties are first, China's population of 1 billion; it will not be easy to make the 1 billion people arrive at the "well-do-to" living standards; and second, the cultural quality of the entire nation is lagging behind the times. Ignorance is the greatest hindrance to the four modernizations. Without upgrading the quality of culture and knowledge of the entire people, it will be very difficult for reform and modernization to make a tiny step forward. Therefore, I say that the pressing matter of the moment is for the "entire nation to study." We should spend a few decades to upgrade the cultural level of the entire nation."

BEIJING REVIEW VIEWS PROGRESS IN DEMOCRACY

OW150432 Beijing BEIJING REVIEW in English 13 Oct 86 p 4

["Notes From the Editors" by political editor An Zhiguo: "Fresh Progress in Democracy"]

[Text] All this year, as the economic reforms have developed, a democratic wind has been felt blowing through this huge country — an effect of the Chinese government's efforts to expand socialist democracy. The Chinese Constitution explicitly stipulates that the Chinese people are the masters of the state and should enjoy freedom of speech and freedom of the press as well as the right to manage state affairs through various channels.

The first stirrings in this direction were in the theoretic and academic fields. For a long time, it was an unwritten rule that the policy of "Letting a hundred flowers bloom and a hundred schools of thought contend," set forth by the CPC Central Committee in 1956, applied only to academic issues; political ones were not included.

In May this year, to commemorate the 30th anniversary of the institution of the "double-hundred" policy, some Chinese scholars published articles pointing out that it is not possible to draw a clear line between academic and political issues. Such a distinction amounts to a ban on discussions of political issues.

Thanks to the discussion, this "unwritten law" was discarded. Wan Li, CPC Central Committee Political Bureau member and vice-premier of the State Council, said in July that academic issues are hardly separate from political ones, and that the "double hundred" policy should also be applied to political issues (see BR, issue No 29). A RENMIN RIBAO (PEOPLE'S DAILY) commentary pointed out that it is not enough just to allow people to discuss political affairs; they should be encouraged to express their own views on the issues involved, and opportunities and conducive conditions should be created. This is a new concept for the public, said the commentary, but it must be accepted to promote an advanced socialist democracy in China.

The nature of democracy in China has also been publicly examined by theoreticians. GONGREN RIBAO (WORKERS' DAILY) published an article by Wu Guoguang on August 1, stating that it may be fair to say the Chinese people lack a democratic heritage and the qualities for democracy, but it is not acceptable to assume therefore that democracy in China should be delayed. Wu said it is better to say people lack the quality of democracy because China lacks such a heritage than to say China should delay democracy because people lack democratic qualities. Practice was the only way to improve the people's democratic qualities.

Although phrases such as "Let the people speak out," "Allow free discussion" and "Heed the opinions of the masses" are often heard in China, Chinese scholars have complained that they are used merely as a method of leadership, not a way to the realization of real democracy. In his article Tang Jiahui expanded on this idea saying that democracy is the foundation of our socialist country; it should not be charity that is handed down by the leaders and can be withdrawn at any moment.

Scholars have pointed to social defects in today's China and lashed out against the vestiges of feudal ideology that are harming China's building of democracy. In his article, Su Shaozhi, director of the Marxism-Leninism-Mao Zedong Thought Research Institute of the Chinese Academy of Social Sciences, said that many problems plaguing work-units in the current reforms are rooted in their failure to fully guarantee the people's right to speak out and to make decisions. He said that some of our leaders promote only their favourites, thus inverting theory and practice, for the people are supposed to be the masters and the leaders public servants.

Su said that this was the manifestation of the vestiges of feudal ideology and lack of democracy. He proposed that the system under which Chinese officials are elected should be perfected; the candidates should compete for posts; and voters should have several choices.

The progress China has made is seen in actual contention between different schools. For example, a Chinese scholar who was criticized several years ago for his article on humanitarianism and the question of alienation, wrote again this year to defend and reinforce his position. In the article the author proposed to debate with a very authoritative theoretician who had criticized him. Not long ago, the Joint Publishing Co. in Hong Kong compiled the articles he had published since 1978 into a book under the title "In Defence of Humanitarianism."

Certainly, people are happy about this favourable wind of freedom and discussion. Still they are hoping that China will perfect its legal system to guarantee the masses' democratic rights.

RENMIN RIBAO STRESSES WORKING FOR GOOD HARVEST

HK101458 Beijing RENMIN RIBAO in Chinese 8 Oct 86 p 2

[Commentator's article: "Exert Efforts This Year To Reap a Good Harvest Next Year"]

[Text] This year, through the efforts of many departments, in particular the hard work of the vast numbers of peasants, our country's grain production has ended the decline of output. Following a bumper summer harvest, the autumn harvest in most localities is also good. This is an excellent and very inspiring tendency. Nevertheless, to realize steady growth in grain production, reap a bumper harvest next year, and lay a foundation for attaining the two targets of securing an annual output of 900 billion jin of grain in 1990 and an annual output of 1,000 billion jin in 2000, there is still a lot of work for us to do.

Production of summer grain is a kind of work that takes more than 1 year. At present, as it is precisely the busy season to do the autumn sowing for next year's summer grain, millions of peasants are intensely engaging in the production activities. Summer grain is decisive in the grain production of a whole year, in particular in the main wheat-producing areas in north and northwest China. Doing a good job in the current autumn sowing is an important link in gathering a bountiful grain harvest next year.

Generally speaking, the autumn sowing work of this year is better than in the last 2 years. This is because, first, the leaders attach importance to it; second, the masses are very enthusiastic for it; and third, we started the work early and the progress is relatively rapid. However, we are also confronted with bigger difficulties than in those years. First, the drought is serious and affects many areas, presenting a direct threat to the sowing work and the winter crops. Second, due to a lack of agricultural materials and especially chemical fertilizers, the amounts of supplies are much smaller than in the previous years, thus restricting the progress of sowing and affecting the strengthening of our antidrought capability and the growth of crops. We should attach great importance to these unfavorable factors.

To resolve these issues, most importantly, the governments and CPC committees at all levels, in particular at the county level, should strengthen their leadership in agriculture. In recent years, we have freed ourselves from the exclusive concern about agriculture and entered into the vast world of comprehensively developing the rural economy. [paragraph continues]

This is great progress and should be continued and carried forward. However, not to be "agricultural secretary" or "grain secretary" does not mean not to firmly grasp the agriculture and grain issues. At present, the peasants have many production problems awaiting our resolution, and we should never forget our duties. Efforts should be made to actively provide various services before, during, and after the grain harvest and settle difficulties and remove the apprehensions of the peasants. Only by conscientiously and meticulously grasping well the specific issues like production, materials supply, and so on can we possibly attain the target of sustained and steady growth of grain production next year.

ECONOMY DEVELOPING 'STEADILY, HEALTHILY'

HK140004 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1509 GMT 9 Oct 86

["China's Economy Steadily Develops" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 9 Oct (ZHONGGUO XINWEN SHE) -- Lin Zhongtang, deputy director of the State Economic Commission, said tonight in Beijing that China has gradually reduced the unstable factors in its national economy, which is now developing steadily, healthily, and in a well-coordinated way.

For a time last year, there was an "overheated" phenomenon in China's industrial growth rate. This year, the Chinese Government adopted a series of measures to strengthen and improve macroeconomic control, and these measures have achieved marked results. The tense situation in the economy has gradually eased:

According to statistics of the relevant department, China's industrial growth rate this year has become normal. In the first quarter, the national industrial output value rose by 4.4 percent over the same period of last year; and the growth rates in the second and third quarters were 5.3 percent and 9 percent respectively. It is expected that if further efforts are made, the industrial growth rate of the whole year will be 7 percent or slightly higher.

The State Economic Commission also published other figures in the fields of industrial production and transport:

-- In the first 9 months of this year, the total national industrial output value reached 652.1 billion yuan, or 6.4 percent higher than the figure for the same period of last year. Light and heavy industries are developing in a well-coordinated way.

-- Agricultural production is rather satisfactory. Grain harvested in summer increased by more than 8 million jin, and the grain output of the whole year is expected to increase by some 20 billion jin over last year.

-- Market activities are brisk. In the first 8 months of this year, the total volume of retail sales increased by 13 percent over the same period of last year, and it is expected that the figure of the whole year may increase by 15 percent. Meanwhile, the state retrieved 6.5 billion yuan of cash from the markets more than the same period of last year.

-- Foreign trade has further developed. In the first 8 months of this year, exports increased by 12.2 percent over the same period last year, and imports decreased by 3 percent. The state of foreign exchange payment has improved.

Lin Zongtang pointed out that at present, the main problems in China's industry are that product quality is declining and economic results are getting poorer.

He also said that it is planned to set China's industrial growth rate next year at 7 percent.

WORKERS DEMAND ENHANCEMENT OF STATUS AT FIRMS

HK151411 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1430 GMT 14 Oct 86

["Chinese Workers Demand That Their Status in Enterprises Be Enhanced" -- ZHONGGUO XINWEN SHE headline]

[Text] 14 Oct, Beijing (ZHONGGUO XINWEN SHE) -- A survey report announced by the All-China Federation of Trade Unions today says: It demands that its status in enterprises should be enhanced and that it should have the right of democratically assessing enterprises' cadres as well as the right to elect and dismiss them. This voices the general opinion of Chinese staff and workers.

Of the 1 million staff members and workers who responded to the survey, 56 percent were of the opinion that their status in enterprises had not improved but had "dropped" instead. About 70 percent of them took a negative attitude toward or cast doubts on the role of worker congresses in examining major matters and supervising cadres. Over one third of them remarked that their relationships with cadres were worse than in the past. The main reasons are as follows: 1) Some cadres contend with the masses for profits and abuse their powers for personal gain; 2) they impose economic penalties on staff and workers; and 3) they force staff and workers to work overtime, thus infringing on the legal rights of staff and workers. Therefore, staff members and workers have strongly demanded that the power of worker congresses have a legal effect and that trustworthy persons who are willing to share a common fate with them be placed in charge of enterprises. They said: "Giving us electoral and dismissal rights will be good for straightening out party conduct."

The survey report of the All-China Federation of Trade Unions points out: The demand of staff and workers for participating in enterprises' affairs is an irreversible trend. This trend should be followed for the purpose of gradually exercising the system of democratic election of enterprises' leading cadres.

RENMIN RIBAO REPORTS SETTLEMENT OF LAND DISPUTE

HK150225 Beijing RENMIN RIBAO in Chinese 11 Oct 86 p 1

[Dispatch by reporter Zhao Xilong (6392 1585 7893): "The Case of Encroachment on the Campus of Wuwei Middle School Has Been Settled"]

[Text] The east wind has returned to the small building -- the case of encroachment on the campus of Wuwei Middle School, Anhui Province, has been settled.

A former deputy director of the Qinzhou Prefectural Planning Commission, Guangxi, returned to his hometown with his wife after retirement and occupied a plot of 179.95 square meters in the campus of Wuwei Secondary School to build houses without official approval. For a long time, he refused to move out of the school campus. On 6 November 1984, this newspaper revealed this case and published two commentaries and a series of three reports, in hopes that "the east wind will eventually return to the small building." [paragraph continues]

A few days ago, Tong Tianhao, the headmaster of the Wuwei school confirmed to this reporter at a telephone interview that after many setbacks, the school campus occupied by the retired cadre for 13 years was finally returned to the school on National Day. The property right of the small yard, building, and houses have all been returned to the school without compensation. After the retired cadre was given the final part of building compensation and the department concerned completed all procedures of transfer, the keys to the yard and small building were handed to the school headmaster.

The Wuwei County party committee and county government have assigned another plot of land to build a house and yard for the family of the retired cadre. They now have moved into the new house.

Now, the event of campus encroachment revealed by the newspaper 2 years ago has been basically settled.

The wife of Wang Yuhuang, former deputy headmaster of the secondary school, was beaten and wounded by the daughter-in-law of the retired cadre. In the 4-point decision about this event, the county party committee demanded that the person who used violence offer an apology to the wounded and pay medical expenses. However, according to the telephone interview, no one has made an apology or paid medical expenses.

The headmaster of the Wuwei Secondary School told this reporter that the small building is now used as the school's library with 200,000 books. The four single-story houses have been assigned to two teacher families who did not have good houses in which live. One of these teachers has worked for 35 years. Now they are glad to live in such good houses.

After this newspaper revealed this case, the county party committee has paid close attention to it. Since April this year, the county party committee overcame many obstacles to basically solve this issue.

RENMIN RIBAO STUDIES DEPARTMENT-REGION RELATIONS

HK120722 Beijing RENMIN RIBAO in Chinese 7 oct 86 p 1

[Commentator's article: "'Departments' and 'Regions' -- Seventh Comment on Rectifying Unhealthy Trends in Trades"]

[Text] This newspaper has published six comments on rectifying unhealthy trends in trades. Today, this newspaper has published a report on how Nanjing city rectifies unhealthy trends in trades. We would like to take this opportunity to talk once again about the relationships between "departments" and "regions."

In trade and undertakings such as public security, commerce, transport, posts, telecommunications, electric power for water conservancy, taxation, and banking, quite a number of units are under the leadership of both "departments" and "regions"; some are under the leadership of "departments" vocationally but affiliated to "regions" politically, others are under the leadership of "departments" both politically and vocationally but maintain close relationships with "regions." This characteristic determines that rectification of unhealthy trends in trades should be carried out in coordination with rectification of unhealthy trends in "departments" and "regions."

Leading comrades in some localities find it difficult to rectify unhealthy trends in some trades. The reason is that these trades are not subordinate to them, although they maintain good relationships with them. Therefore, no one in these trades will listen to their words. Indeed, leading comrades in some trades are in the habit of "refusing to obey instructions"; they pose as "eldest brothers" in front of local leading comrades, ignore others' criticism of unhealthy trends, or just lay the blame on objective conditions. There are also local comrades who complain about everything, do not want to make allowances for difficulties in localities, do not observe regulations of trades, and even refuse to support work in trades in localities. This is completely wrong.

"Departments" and "regions" should take the overall situation into account and keep themselves within the bounds of party discipline and state law. Rectifying unhealthy trends in trades is a job both "departments" and "regions" should do. In rectifying unhealthy trends, comrades in the trades concerned are very clear about their problems and difficulties. Some trades are so specialized in certain lines that comrades of other trades cannot have a hand in their work. To solve their problems, local party committees and discipline inspection commissions should rely on the leading comrades and masses in these specialized trades in finding out the "root cause of their diseases" and writing out a "prescription." Naturally, various trades and undertakings should serve society and receive social supervision. In particular, they should directly serve the masses in the regions where they are situated and be supervised by the masses in these regions. When problems crop up in "regions" they should be resolved in "regions."

The relationship between "departments" and "regions" is like that of lips and teeth. Only when "departments" and "regions" cooperate well can unhealthy trends be effectively rectified. Loopholes will give rise to unhealthy practices. In the course of rectifying unhealthy trends, we should correctly handle the relationship between "departments" and "regions."

CHINA'S FIRST CIVIL AIR DEFENSE MEETING ENDS

OW140956 Beijing Domestic Service in Mandarin 0200 GMT 14 Oct 86

[Text] According to a JIEFANGJUN BAO report, a seminar to discuss strategies for the development of China's civil air defense ended yesterday in Beijing. This is the first time a seminar of this kind has been held since the founding of China. It enables China's civil air defense to actually move forward to a democratic and scientific macroscopic decision-making process.

With more than 30 years of efforts, China has tentatively completed a national civil air defense system. Civil air defense has played an active role in ensuring national security and in enhancing China's strategic importance. In time of peace, the development and utilization of civil air defense projects have been socially and economically beneficial. The seminar was sponsored by the National Civil Air Defense Intelligence Network.

Specialists discussed a variety of major issues for strategies in developing China's civil air defense from various angles and levels. They voiced their enlightening views on such areas as general planning; shelter system analysis; goals and directions for scientific research and personnel training; and command, structure, and organization of the civil air defense departments. [Beijing XINHUA Domestic Service in Chinese at 1215 GMT on 13 October in a report on this forum gives the location as Kunming, not Beijing.]

TELECOMMUNICATIONS TRAINING CENTER OPENS

HK100344 Beijing CHINA DAILY in English 10 Oct 86 p 3

[By Niu Qiuxia]

[Text] The Beijing Post and Telecommunications Training Centre was officially opened on Wednesday, marking an important step toward modernizing China's telecommunications.

"The lack of qualified engineers and skillful workers is a key problem in the process of modernizing China's telecommunications," said Song Zhiyuan, Vice Minister of the Ministry of Post and Telecommunications, at the opening ceremony of the training centre. "The centre will play an important role in equipping Chinese experts with modern technology. It will also help to consolidate the ties between the telecommunications departments of China and Japan."

According to existing Sino-Japanese agreement, the centre will be provided with modern equipment made in Japan.

For this purpose, the Japanese Government has contributed 2.2 billion yen (\$14.3 million), which was mainly used to buy advanced equipment such as a computer network and satellite communication equipment.

The centre will enroll trainees that include engineers in China's post and telecommunications enterprises and factories, officials and teachers. The trainees will update their knowledge and keep pace with the development of modern technology.

ION ROCKET ENGINE PROTOTYPE SUCCESSFULLY TESTED

OW130951 Beijing XINHUA Domestic Service in Chinese 0054 GMT 11 Oct 86

[By reporter Qu Zhi]

[Excerpts] Lanzhou, 11 Oct (XINHUA) — A prototype of China's first ion rocket engine [li zhi huo jian fa dong ji 4418 1311 3499 4628 4099 0520 2623] using mercury as propellant recently passed ministry-level tests conducted at the Lanzhou Institute of Physics under the Ministry of Astronautics Industry. [passage omitted]

Using electricity as power, the ion rocket engine is mainly used for carrying out precision positioning and control of a satellite after it is launched into its orbit in space by a powerful rocket.

According to specialists of the institute, the reason why mercury is used as propellant is because mercury has a heavy atomic weight, and can be ionized and kept easily. To produce power, mercury must first of all be gasified; mercury atoms are then bombarded with electrons to become ions, which in turn are accelerated in an electrostatic field before they can generate impetus. This type of engine involves difficult technology and is still at its experimental stage in other countries. [passage omitted]

During the tests, some renowned rocket engine specialists maintained that the tested ion rocket engine — identified as LF-8 — has already reached the advanced level of similar ion rocket engines developed by other countries.

XINHUA SURVEYS GROWTH OF AEROSPACE INDUSTRY

HK130350 Beijing XINHUA Hong Kong Service in Chinese 0732 GMT 7 Oct 86

[Article by reporter Lin Ning (2651 1337): "Nie Rongzhen and China's Aerospace Cause"]

[Text] Beijing, 7 Oct (XINHUA) — In May 1985, a responsible person of China's Ministry of Astronautics Industry announced: "China is going to put its rockets and satellites on the international market." So far, the United States and Sweden have signed agreements with China to make reservations on China's "Long March 3" rockets for their satellites. In addition, 17 foreign companies are discussing this business with China.

China entered the field of astronautics about 20 years after the world's advanced countries. However, China has been able to join the world's advanced countries in a matter of just 30 years by making an epoch-making takeoff. The name of Marshal Nie Rongzhen is engraved on the milestones on the road by which China is advancing toward space.

I. In 1956, some of the world's most powerful countries were already exploring space and progressing in the direction of modern science.

"Move ahead and catch up with and overtake our rivals," Marshal Nie Rongzhen said vehemently in his work report to the CPC Central Committee. He accepted the posts of vice premier and chairman of the Commission of Science and Technology for National Defense, whose job was to direct scientific and technological work.

When he was a young man, Marshal Nie Rongzhen witnessed how his backward motherland was bullied by foreigners. Thus, aspiring to "save the country by recourse to science," the marshal left his hometown for France, where he participated in the so-called "work-study program." Later, after learning something about Marxism, he realized that "only socialism can save China" and joined the revolution. In the following decades, his life was dominated by military affairs. With the founding of New China, conditions were ripe for the realization of his long cherished aspirations. There was in Marshal Nie's mind a magnificent blueprint for the development of China's astronautics industry.

As soon as China took its first step in the development of its astronautics industry, Marshal Nie had already formulated the correct guiding principles for its development on the basis of the Chinese Government's policies.

On 8 October 1956, in a small assembly hall in Chedaogou in Beijing's suburban area, China's first generation of eminent scientists in the field of astronautics gathered. The founding ceremony for China's first astronautics research institution -- the Fifth Research Institute (which has developed into the Ministry of Astronautics) of the Ministry of National Defense -- was held there. Dressed in a trim uniform, Nie Rongzhen ascended the platform and said with a distinct Sichuan accent: "We can never catch up with the world's advanced countries by shouting slogans. We must develop rocket technology with Chinese characteristics by relying on a scientific, down-to-earth approach."

One day, during an inspection tour of a certain research center, he found that slogan posters were posted in a workshop among precision instruments and advanced equipment and that during work hours, broadcasts aimed at showing resolution could be heard.

Enraged, Marshal Nie pointed a finger at the slogan posters and said: "This will bring dust." He told the leaders of the research institute to direct production in a civilized way and, in particular, not to post posters, portraits, and so on in ultraclean workshops. He also told them that trees could only be selectively planted within the premises of research centers because catkins of willow and some other trees flew about in spring and that people must not be allowed to make loud noises there. There should be silence and cleanliness.

Marshal Nie always stressed the principle of doing things scientifically and acting in accordance with objective laws.

In 1958, the "Great Leap Forward" movement, which swept across the country like a tornado, also forced its way into the Fifth Research Institute. After examining an imported model rocket, some hotheaded people remarked: "This is nothing; we can make you one in 2 months." Others boasted: "We can conquer the Pacific in 3 years and launch a miniature moon in 5." However, Marshal Nie decided that he had to listen to expert opinions. He invited several experts and several leaders of the research institute to a "meeting of immortals" [shen xian hui 4377 0103 2585 — a lofty, free exchange of ideas among intelligent beings freed of the usual tensions and restraints] One specialist criticized some of the research objectives approved by the central authorities as unrealistic. Marshal Nie listened carefully and nodded his head every now and then. He summoned his secretary a short while later. When the meeting was over, the Marshal invited the "immortals" to a typical Sichuan dinner. He said humorously: "Your criticisms are sharp, biting, and hot. However, they can make one sweat and remain sober-headed."

Marshal Nie reported everything to the central authorities and resolutely readjusted the arrangements, made the front narrower, focused his attention on several key projects, and introduced a rigorous set of work procedures and a rigorous scientific research system.

II. Something happened in the unforgettable 1960. In that year, when the country was still recuperating from the natural calamities that hit the country in the previous 3 years, the leaders of the hegemonical bloc broke the contracts they signed with us by withdrawing all their experts. People were divided on whether China should continue to develop its astronautics industry, which was then still in its infancy.

At a meeting attended by engineers at and above grade 6, Marshal Nie angrily slammed his fist on the conference table and said: "We have been forced to do something desperate. Let us do it ourselves! We can never count on others. People are unreliable. The party Central Committee now places all its hopes in our own experts."

The 8-character principle of "Working With a Will To Make the Country and Self-Reliance" was the first demand Marshal Nie imposed on China's first generation of technological and engineering personnel in the field of astronautics.

One evening in late Fall 1960, Marshal Nie invited Qian Xuesen, Liang Shoupan, and other specialists to a dinner party at his home. The atmosphere was cordial. However, Marshal Nie said very little. He only served food with chopsticks to those present now and then. His eyes were filled with affection and expectation. A few days later, in his report to the CPC Central Committee and Chairman Mao Zedong, he raised three suggestions on how to plan future scientific and technological work after the withdrawal of foreign experts. In his report, he said: "We must show them how independent we are. Perhaps this desperate situation can help us discover our own path for the country's scientific and technological development." Mao Zedong, Zhou Enlai, and other central leaders immediately accepted his suggestion. Chen Yi even said to the marshal: As the country's foreign minister, I do not feel that I have very strong backing. If you people can produce a rocket, I can have greater confidence.

On 5 November 1960, 82 days after the withdrawal of the foreign experts, the first rocket produced by the Chinese people with their own hands soared into the sky. At a celebration dinner that evening, Marshal Nie raised his glass and toasted the experts. He cordially patted them on the back and rejoiced with them.

III. In the years when the principle of "better left than right" prevailed, Chinese intellectuals suffered many more hardships than ordinary people! Marshal Nie was worried. In spite of his poor health, he visited various research institutes to listen to opinions of intellectuals. At meetings of the Central Committee's Political Bureau, he vehemently called for the "removal of labels from and coronation of intellectuals." Once, a Chinese-made rocket plunged into the extensive Gobi Desert after reaching a height of about 1,000 meters shortly after liftoff. Leaning against a table, Professor Ren Xinmin, the chief designer, perplexedly stared at the decapitated flying track and the reference data in the ground record. He earned his doctoral degree at the University of Michigan and participated in the research work concerning rocket boosters shortly after returning to the country.

Sarcastic comments and criticisms were immediately heard. Ashamed of the failure, Ren Xinmin could not even raise his head. Marshal Nie, who was on the base to direct the experiment, overheard these remarks. He was very angry and solemnly said: "If we want people to do things for us, we must trust and respect them." The next day, when Marshal Nie left the base, Ren Xinmin and some other experts saw him off at the airport. On seeing Ren Xinmin, the marshal walked toward him and grabbed his hands, saying: "The development of things is governed by laws. Perhaps what follows the greatest difficulties is success! Have confidence! Continue to work hard!" With his eyes brimming with tears and unable to utter a single word, he tightly clutched the marshal's hands.

IV. Since the smashing of the gang of four, China's astronautics industry has developed rapidly.

On 8 April 1984, China's first experimental communications satellite soared into the sky. The next day, after reading the report on the satellite's flight in space, Marshal Nie immediately told his secretary to make a telephone call to ask the Commission of Science, Technology, and Industry for National Defense to send somebody to give him the details. The next day, he invited one of the leaders responsible for organizing and directing this experiment to his home and asked him about the technical problems concerning the positioning of the satellite in space. Shortly after the successful positioning of the satellite, Marshal Nie excitedly said to some who were involved in the project: "I must write a letter to General Zhang Aiping." He said: "This leap, from a blank paper to the feat of launching a synchronous satellite, is a spectacular success." He told people to put down this sentence in their congratulatory letters: "Carry forward the fighting spirit of self-reliance and conquer the summit of modern science and technology in a step-by-step manner."

Marshal Nie has been concerned with the rise of China's astronautics industry for 30 years. What is in his mind now is the future. On the afternoon of 6 June this year, Marshal Nie and the old experts who founded China's astronautics industry with him gathered at his home. On seeing Ren Xinmin, he exclaimed: "You have become very old!" He asked Qian Xuesen: "Have you gone on vacation this year? You should be mindful of rest." Speaking on the future development of China's astronautics industry, he earnestly said: The development of China's astronautics cause must be fought for by several generations of people. It is from now on necessary to train, from a strategic point of view, successors for many future generations in order to provide great reserved strength for the development of our cause and to advance in the direction of the acme of astronautics!

RESOURCE SATELLITE LAUNCHED FROM JIUQUAN

HK120152 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0847 GMT 11 Oct 86

["China Launches a Second Satellite for Surveying Terrestrial Resources" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 11 Oct (ZHONGGUO XINWEN SHE) -- After flying for 5 days in space, China's second satellite for surveying terrestrial resources returned to earth at 1220 today as scheduled.

The satellite was launched from the Jiuquan launch site in western China at 1340 on 6 October and was orbited as scheduled. The satellite's perigee was 180 km from earth and its apogee 400 km away. The satellite's orbit and the equatorial plane subtended an angle of 57 degrees. Each orbiting period was 90 minutes. During the 5-day flight, all parts and components of the satellite worked properly and the satellite collected much technical information that can be used in a general resources survey.

This satellite was the 19th satellite launched by China so far. However, it is the eighth retrievable satellite.

The satellite was launched from a "Long March 2" rocket, which has a length of 31 meters, a diameter of 3.35 meters, and a takeoff weight of 92 tons. This rocket is capable of putting a 2.4-ton satellite into orbit. Of the 19 satellites launched by China, 16 were launched from the Jiuquan launch site.

It is reported that the information collected by this satellite can be used in a survey of terrestrial resources, prospecting for mineral resources, water conservancy, environmental protection, and oceanographical and seismological research. As it did for the satellite launched in October last year for surveying terrestrial resources, the China Insurance Company also provided insurance service for the launching and retrieval of this satellite.

People in the field of astronautics told reporters that China has many times successfully launched different types of satellites with "Long March" rockets. This shows that China's carrier rockets are very reliable and that China has the capabilities to undertake satellite-launching business.

ZHANG JINGFU, YU ZIULI SPEAK ON SPACE INDUSTRY

OWO90055 Beijing XINHUA Domestic Service in Chinese 1155 GMT 8 Oct 86

[By reporter Chen Zhi]

[Text] Beijing, 8 Oct (XINHUA) -- The Ministry of Astronautics Industry held a meeting in Beijing today to celebrate the 30th anniversary of the founding of China's astronautics industry.

In his letter of greetings, Nie Rongzhen, founder of China's astronautics industry, pointed out: By relying on the party's leadership and the support of all the people in the country, we have formulated and developed space technology of advanced world level, and attained universally acknowledged achievements. This is our national pride. The letter hailed all those working in the field of space industry as heroes.

Attending the meeting were Tian Jiyun, Yu Qiuli, Zhang Jingfu, Song Ping, Quian Xuesen, and others. Song Renqiong, Zhang Aiping, and Song Jian had sent in letters and messages of greetings.

State Councillor Zhang Jingfu delivered a speech at the meeting. He said: Over the past 30 years, China has attained excellent results and trained many able people for the space industry and paved the way to develop this industry with high efficiency and according to China's own conditions. He pointed out: We oppose the superpowers' expansion of the arms race into outer space, and support people of the world who are using it for peaceful means. We shall also do whatever we can to contribute to the peaceful use of outer space and to the development of space technology.

Yu Qiuli, Political Bureau member of the CPC Central Committee and deputy secretary general of the Central Military Commission, addressed the meeting, calling on the cadres, scientists, and technicians in the field of space industry to study and implement the resolution adopted at the Sixth Plenary Session of the 12th CPC Central Committee, consciously combine the lofty ideals of communism with the space industry and their own work, forge ahead and make new contributions to the development of China's space industry.

Li Xue, minister of aeronautics industry made a speech at the meeting. He reviewed China's achievements in space industry over the past 30 years, and extended his greetings, on behalf of the ministry's party group, to Qian Xuesen, Ren Xinmin, Tu Shoue, Huang Weilu, Liang Shoupan, and other specialists who made contributions to developing China's space technology.

On the basis of the policy decision of the party Central Committee, the Fifth Research Institute of the Ministry of Defense -- the first astronautics research institute in New China -- was formally established on, 8 October 1956, marking the beginning of China's space industry.

DENG LIQUN, OTHERS VIEW IMPORT TECHNOLOGY FILM

OW102019 Beijing XINHUA in English 1656 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) -- Communist Party and government officials watched a color documentary film on the fruitful results of imported technology together with more than 1,000 other people in this Chinese capital today.

Over the past three years, China has imported a total of 3,900 items of technology for the textile, light and machinery industries, half of them being already in operation.

According to economists, the investment is expected to be recovered within three years of all of them going into operation.

The country plans another 3,000 items of imported technology for the three years from 1986 to 1988.

After the film, Bo Yibo, vice-chairman of the Central Advisory Commission of the Communist Party of China (CPC), said the film provides convincing evidence that it is correct to accelerate the socialist economy by importing advanced foreign technology and funds. "The results are inspiring," he said. "We should speed up the pace in the future."

Deng Liqun, member of the Secretariat of the CPC Central Committee, and 73 ministers and vice-ministers attended the film sponsored by the State Economic Commission.

HU YAOBANG, OTHERS PAY RESPECTS TO HAN XIANCHU

OW112154 Beijing XINHUA Domestic Service in Chinese 1524 GMT 11 Oct 86

[Text] Beijing, 11 Oct (XINHUA) — A ceremony to pay last respects to Comrade Han Xianchu, vice chairman of the NPC Standing Committee, was held at the auditorium of Beijing's Babaoshan Cemetery of Revolutionaries this afternoon.

Comrades Hu Yaobang, Zhao Xiyang, Li Xiannian, Chen Yun, Peng Zhen, Wan Li, Xi Zhongxun, Qiao Shi, Yang Daxi, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, Qin Jiwei, Chen Pixian, Wang Zhaoguo, Bo Yibo, Song Renqiong, Wang Ping, Wang Shoudao, Wu Xiuquan, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Duan Junyi, Geng Biao, Ji Pengfei, Huang Huoqing, Cheng Zihua, Xiao Jingguang, Wang Heshou, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngopoi Ngawang Jigme, Seypidin Aze, Zhou Gucheng, Yan Jici, Chu Tunan, Zhang Jingfu, Zhang Aiping, Zheng Tianxiang, Kang Keqing, Yang Chengwu, Lu Zhengcao, Ma Wenrui, Qian Xuesen, and Lei Jiqiong paid last respects to Comrade Han Xianchu's remains lying in state, and expressed their sympathies to Comrade Han Xianchu's widow Liu Zhi and their children. Comrade Wang Zhen made a special telephone call from outside Beijing to express his condolences over Comrade Han Xianchu's death and to give his regards to Comrade Han Xianchu's family.

Comrades, Hu Yaobang, Deng Xiaoping, Zhao Xiyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Ye Jianying, Xu Xiangqian, Nie Rongzhen, Ulanhu, Fang Yi, Tian Jiyun, Li Peng, Yang Shangkun, Wu Xueqian, Ni Zhifu, Chen Muhua, Deng Liqun, Hao Jianxiu, Wang Zhen, Liu Lantao, Jiang Hua, Li Yimang, Lu Dingyi, Huang Zhen, Huang Kecheng, Han Guang, Wei Guoqing, Hu Juewen, Xu Deheng, Bainquen Erdini Qoigy Gyalncain, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, Gu Mu, Kang Shien, Wang Beiqian, Song Ping, Hong Xueshi, Yang Yichen, Yang Jingren, Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgyai, Hu Ziang, Qian Changshao, Dong Qiwu, Tao Zhiyue, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Ba Jin, Mao Yisheng, Li Jingji, and Wang Enmao sent wreaths.

The CPC Central Committee, the Central Advisory Commission, the Central Discipline Inspection Commission, the NPC Standing Committee, the State Council, the Central Military Commission, the CPPCC National Committee, the Supreme People's Court, the Supreme People's procuratorate, relevant departments of the CPC Central Committee and the State Council, hall headquarters under the Military Commission, all services and arms, all military regions, all democratic parties, mass organizations, and leading organs of Beijing Municipality and Hubei Province also sent wreaths.

Also attending today's ceremony were leading members of departments under the party Central Committee and state organs; leading members of the three PLA headquarters, of the Discipline Inspection Commission of Military Commission, of the Commission of Science, Technology and Industry for National Defense College, and of institutes of military sciences, leading members of all democratic parties and mass organizations, leading members of the relevant departments under the Beijing Military Regions and Beijing Municipality, and friends of the late Comrade Han Xianchu, as well as representatives of cadres and fighters of Ground, Naval, and Air Force organs in Beijing, totalling more than 800 people.

After Comrade Han Xianchu died, Comrades Li Xiannian, Chen Yun and Xu Xiangqian expressed their sympathies to Comrade Han Xianchu's family by word or letter. Comrade Li Xiannian said in his letter: I am greatly saddened by Comrade Han Xianchu's death! Comrade Xianchu was a long-tested loyal fighter of our party, a brave general skillful in battle. His candor, straightforwardness, and integrity are worth emulating. Comrade Chen Yun said in his letter: Comrade Han Xianchu joined the revolution in his early years.

During his lifelong military career, he took part in many battles and won brilliant victories. He dedicated his whole life to the construction of our party and our Army. Surely, was our party's long-tested loyal communist fighter. I am greatly saddened by Comrade Xianchu's death. The party and the people will never forget him! Comrade Xu Xianqian said to Comrade Han Xianchu's family members: I am deeply grieved by Comrade Xianchu's death. Comrade Xianchu was dedicated his whole life to the liberation of the country and the modernization of national defense. He was a brave and skillful general on the battlefield. After the founding of the republic, he worked his heart out for the armed forces' modernization. His contributions were exceptional. We were friends for many years, and I am deeply impressed by his candor, straightforwardness, courage to uphold truth, and integrity. Comrade Xianchu's brilliant services and fine qualities will always be remembered.

While talking with visiting President Li Xiannian on 6 October, DPRK President Kim Il-song, upon learning of Comrade Han Xianchu's death, expressed his condolences and asked President Li Xiannian to convey his regards to Comrade Han Xianchu's family.

In their condolence messages to the NPC Standing committee and the Ministry of National Defense, the Standing Committee of the Supreme People's Assembly and the Ministry of the People's Armed Forces of the DPRK expressed deep condolences on Comrade Han Xianchu's death. The messages said: Comrade Han Xianchu made immense contributions not merely to China's revolutionary cause, but also to promoting friendship between the Korean and Chinese peoples. Although Comrade Han Xianchu has died, his noble services to the CPC and the Chinese Armed Forces, and his contributions to Korean-Chinese friendship will enjoy eternal glory.

ULAHU ADDRESSES FORUM ON 1911 REVOLUTION

OW121009 Beijing XINHUA Domestic Service in Chinese 0745 GMT 9 Oct 86

[Text] Beijing, 9 Oct (XINHUA) — Speech at a Forum Commemorating the 75th Anniversary of the 1911 Revolution

9 October 1986

Ulanhu

Comrades, Friends:

We gather here today to commemorate the 75th anniversary of the 1911 Revolution. Seventy-five years ago, the revolutionaries headed by Dr Sun Yat-sen, the great bourgeois revolutionary, led the people in overthrowing the Qing Dynasty. In doing so, they ended the autocratic monarchy that had continued in China for 2,000 years, and dealt a telling blow to the imperialist and feudal forces riding roughshod over the Chinese. This is a great revolution and an important milestone in modern Chinese history. From that time, the democratic republic system became an unshakable conviction of all progressive Chinese, which any attempt to restore the old system could not eliminate. The Chinese people's revolutionary struggle against imperialism and feudalism entered a new stage.

Dr Sun Yat-sen, leader of the 1911 Revolution, was a great patriot and pioneer of China's democratic revolution. He assembled comrades and fought unflinchingly to overcome mounting difficulties in order to seek a road for China to become stronger and the people better off than under the declining imperial Qing Dynasty.

His dauntless spirit in fighting for the prosperity of the nation always has our respect.

Dr Sun Yat-sen was a great revolutionary whose three people's principles were a complete guideline for bourgeois revolutionaries. In his day, it was the supreme guideline for the bourgeois revolution. In order to implement the guidelines after the founding of the republic, Dr Sun Yat-sen continued to lead his comrades-in-arms in waging an unrelenting struggle against the old forces. Inspired by the Russian October Revolution and assisted by the Chinese Communists he summarized his experience and began to recognize a truth; that is, in order to win victory in revolution, "it is necessary to arouse the people." He realized the strength inherent in the masses, and believed that such strength is the genuine foundation for building an independent, united, democratic, and modern New China. Reinterpreting the three people's principles, Dr Sun Yat-sen put forward his three major policies: Alliance with Russia, alliance with the Communist Party, and assistance to the peasants and workers. With boldness of vision, he made determined efforts to reorganize the Kuomintang and promote cooperation with the Communist Party in order to give a strong impetus to the cause of the Chinese people's revolution. However Dr Sun Yat-sen was unable to see his revolutionary ideal materialize. Inheriting Dr Sun Yat-sen's legacy, the Chinese communists united the people and persevered in the struggle to complete his unfinished work.

As we commemorate today the 75th anniversary of the 1911 Revolution and honor the memory of the spirit and outstanding achievements of Dr Sun Yat-sen and other revolutionaries of the older generation, we can please these predecessors with a report on the independence and progress of our country. Regrettably, however, the motherland's mainland and Taiwan remain in an abnormal state of separation from each other because of human factors. None of our patriotic compatriots at home or abroad want this abnormal state to continue. The further prosperity of the country calls for reunification; the national feelings of the Chinese nation demand reunification; and the people of the whole world expect China's reunification. For a prosperous and thriving motherland, for the reunion of all families of the whole nation, and in order to make still greater contributions to world peace and progress, all sons and daughters of Emperors Yan and Huang on both sides of the Taiwan Strait and overseas should work with one heart and one mind to bring about the reunification of the motherland.

We are fully aware that the separation between Taiwan and the mainland was caused by certain historical conditions. The CPC Central Committee, with full respect for history and reality and proceeding from the highest interests of the whole nation, has made the fair and reasonable proposal of realizing the peaceful reunification of the motherland under the formula of "one country, two systems." We believe such a proposal will definitely win the understanding of more and more people on the other side of the strait. It is our sincere hope that the revered persons in power in Taiwan will, while commemorating the 75th anniversary of the 1911 Revolution and honoring the spirit and outstanding achievements of Dr Sun Yat-sen and other revolutionaries of the older generation, show the sentiments of brotherly love and seriously ask themselves: How can they face the martyrs, much less the expectations of posterity, if they choose to keep families separated?

Dr Sun Yat-sen and all other people like him with lofty ideals during the period of the 1911 Revolution were filled with strong aspirations to build China into a modern country. It was only because the cruel historical conditions deprived them of any opportunity to translate their ideas into reality that they struggled in vain all through their lives. Today, we can say that, in many respects, the achievements made by New China in the cause of construction have surpassed their aspirations. However, the world keeps advancing and, compared with the developed countries, we still have a very long way to go.

Since the chaotic decade came to its end, the people of our country, united as one, have been making rapid progress in building our country through diligent labor. Today, tangible results have already been made in the reform of the economic system, and the reform of the political system has been listed on the agenda. Recently, the CPC Central Committee adopted a resolution on the guiding principles for building socialist civilization. Thus, we are shown a complete and clear-cut strategic plan for building China into a modern socialist power with Chinese characteristics.

It will surely give added impetus to the people of all nationalities in our country to display their socialist initiative and bring about a rapid and sound development in our cause.

Comrades, friends:

Our great motherland is at a crucial juncture in the drive for modernization. Our Chinese nation has embarked on the broad road of rejuvenation. All patriotic people, all people with a sense of national responsibility, let us unite together, work hard, and accomplish the glorious mission entrusted us by history.

HU QIAOMU SPEAKS AT SEMINAR ON WRITER'S BIRTH

OW102103 Beijing XINHUA in English 1534 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) — The Chinese Writers Association held a seminar at the auditorium of the Chinese People's Political Consultative Conference here today to mark the 90th anniversary of EMI SIAO's birth.

Hu Qiaomu, member of the Political Bureau of the Chinese Communist Party Central Committee, said in his speech that EMI SIAO (Xiao San in Chinese) was a proletarian revolutionary, outstanding cultural fighter, noted poet, translator, and international cultural activist.

Born in Xiangxiang County, South China's Hunan Province, ninety years ago, EMI SIAO started to work for the revolutionary movement in the early 1920s. Until his death in February 1983, EMI SIAO did his utmost to introduce to the world the Chinese revolution and its literature through poems and other literary forms.

While studying and working in the Soviet Union during the 1920s and 1930s, SIAO had more than a dozen works published. They were translated into several languages and acclaimed by world readers.

After China's liberation, SIAO published, among other things, poetry selections "the road of peace" and "the song of friendship."

He also travelled from country to country as an envoy of the Chinese people, telling people about China, and attending world peace conferences. As his Chinese-German wife, Eva SIAO, said in her written speech today, "he was a dove of peace himself, attracting many friends for China with his warm and simple language." Eva is presently in Sweden to run her photographic exhibition.

The seminar was presided over by Xia Yan, vice-chairman of the federation, with about three hundred people attending.

WAN LI ADDRESSES RECEPTION FOR ASIAD ATHLETES

OW130901 Beijing XINHUA Domestic Service in Chinese 1500 GMT 10 Oct 86

[By reporter Wang Wang Xunsheng]

[Text] Beijing, 10 Oct (XINHUA) — "The task of improving our nation's physique is as important for the whole party and society as that of raising the ideological and ethical standards and scientific and cultural levels of the whole Chinese nation." This was stressed by Wan Li, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, in his toast at a reception tonight to welcome the triumphant return of the Chinese sports delegation from the 10th Asiad.

On behalf of the CPC Central Committee and the State Council, Wan Li first warmly welcomed and sincerely congratulated the Chinese athletes who rallied together and overcame numerous difficulties to defend China's title in the gold medal count. He said: Chinese athletes not only scored excellent marks in the Asian Games, but also demonstrated the noble sportsmanship of a socialist country and the fine spirit and character of the Chinese people, winning praise from friends of various countries and regions and from the international sports community.

Wan Li said: The Chinese athletes' "daring and energetic spirit of struggle in unity manifested in the sports arena is inspiring the whole nation working for the four modernizations on various fronts. The central authorities are satisfied with your excellent performance in the Asian Games and the improvements and achievements you have made in recent years, and the people are happy about them."

Wan Li said: "The standards of physical culture and sports activities in our country have been continuously improving. However, we must also soberly recognize that the standards of sports skills in other Asian countries and regions are improving all the time. Our dominance in Asian sports is very slight, and we are far behind sports developed countries in the world. Therefore, we must speed up the pace of our country's sports reform, mobilize all positive factors, and, in line with the CPC Central Committee's resolution on the guiding principles for building a socialist spiritual civilization, enhance the buildup of a sports contingent and further develop our country's sports. I hope that all athletes, coaches, and culture and sports workers will guard against conceit and impetuosity, strive harder and harder, set high standards and strict demands, improve their basic skills, strengthen scientific training and the study of sports psychology, and train more outstanding athletes to improve performance, win greater honor for the motherland, contribute more to the four modernizations, and be well prepared for the 11th Asiad to be held in Beijing in 1990. I hope that all Chinese people and society will pay more attention to sports, support them, learn from the athletes' indomitable spirit, and strive for greater achievement in socialist modernization!"

GUANGZHOU EXPORT FAIR OPENS; ZHAO CUTS RIBBON

OW151332 Beijing XINHUA in English 1310 GMT 15 Oct 86

[Text] Guangzhou, October 15 (XINHUA) -- Premier Zhao Ziyang cut the ribbon for the 60th session of the China Export Commodities Fair that opened in this capital of south China's Guangdong Province today.

The first session of the semiannual Guangzhou Fair, China's largest and most comprehensive trade fair, opened 30 years ago.

In his opening speech, Yang Deyuan, vice-chairman of the fair and Guangdong provincial vice-governor, extended thanks to all Chinese and foreigners helping the fair, which will end November 5.

In a letter Tuesday marking the fair's 60th anniversary, Premier Zhao said, "the fair has done a good job in expanding trade relations and economic and technological exchanges between China and other countries over the past three decades."

Chinese leaders Li Xiannian, Chen Yun and Chen Muhua wrote inscriptions for the occasion, according to Yang Deyuan.

Items offered for the first time to overseas firms include miniature nuclear power stations and reactors, satellite ground stations and a satellite launching service.

Attending today's opening ceremony were 5,700 business people from all over the world and 500 Chinese and foreign special guests.

CORRECTION TO INSTITUTE TRAINS OFFICERS

The following correction pertains to the item headlined "PLA Institute Trains Multipurpose Officers," published in the 1 October China DAILY REPORT, page K 2, paragraph one, lines one and two:

...in the Armored Forces Engineering College [Zhuangjiabing Gongcheng Xueyuan 5944 3946 0365 1562 4453 1331 7108] this year will... (changing word "force" to "forces," changing "institute" to "college, supplying Chinese, STCs).

HAN PEIXIN ADDRESSES MEETING ON NEW FOURTH ARMY

OW140531 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 11 Oct 86

[Excerpts] The Jiangsu Provincial CPC Committee and the provincial people's government held a grand meeting in Yancheng on 11 October to mark the 45th anniversary of the rebuilding of the New Fourth Army's Headquarters. Attending the commemorative meeting were veteran comrades who had fought with the Army, including Jin Ming, Ren Zhibin, Han Qilong, Xiao Wangdong, Jiang Weiqing, Hui Yuyu, Guan Wenwei, Liu Shijiu, Liu Ruilong, Li Fuxin, Xia Denglong, Liang Lingguang, Zhou Junming, Yu Ping, Yang Qun, Ru Xingquan, Dong Guotu, Sun Keji, Wang Lanxi, Wu Bingyun, Duan Huangjing, Xie Yunhui, Tang Shudi, Zhou Yiping, Li Daishan, Luo Gengmo, Chen Zhonglie, Song Wen, Bao Houchang, Wei Yongyi, Wang Haishu, Ouyang Huilin, Xia Guang, Zhang Chongwen, Di Long, Dai Weiran, Xie Kedong, Ding Ye, Han Zhaozhi, Shu Chengji, and Guan Hantao; responsible provincial Comrades Zhao Wenfu, Zhang Haifan, Zeng Ming, Wu Guangzhi; responsible comrades of the Nanjing Military Region, the Jiangsu provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and the provincial Military District, including Xiang Shoushi, Fu Kuiqing, Han Peixin, Gu Xiulian, Chu Jiang, Qian Zhonghan, Zhou Ze, and Yue Dewang; as well as responsible persons of provincial departments concerned, leading comrades of the Yangcheng City CPC Committee and government, and responsible persons of relevant city departments. The meeting was presided over by Governor Gu Xiulian. [passage omitted]

Han Peixin, secretary of the provincial party committee, addressed the meeting. On behalf of the Jiangsu Provincial CPC Committee and provincial government, he extended a warm welcome and high respects to veteran fighters of the New Fourth Army and a warm welcome and sincere regards to the leading comrades and representatives from other provinces and cities who had made a special trip to attend the meeting. He said: In commemorating the 45th anniversary of the rebuilding of the New Fourth Army's headquarters today, the most important thing we should do is to carry forward the army's glorious revolutionary traditions, do a good job in building spiritual and material civilizations, and advance the great cause for which our revolutionary predecessors sacrificed their lives.

He stressed that at present we must firmly carry out economic and political restructuring, step up the building of a spiritual civilization while focusing on economic development, and strive to build a socialism with Chinese characteristics.

Fu Kuiqing, political commissar of the Nanjing Military Region, also addressed the meeting on behalf of the Military Region party committee. After recalling the New Fourth Army's glorious fighting record, he urged commanders and fighters of the Nanjing Military Region to learn from the New Fourth Army, serve the people wholeheartedly, promote Army-government and Army-civilian unity, and join the people of Jiangsu, who have a glorious tradition, in promoting economic and social development. (Jin Jipeng), secretary of the Yancheng City CPC Committee, also spoke at the meeting. [passage omitted]

JIANGSU LEADERS AT BATTLE COMMEMORATION MEETING

OW111025 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 8 Oct 86

[Excerpts] The Jiangsu Provincial CPC Committee and the provincial government held a solemn meeting in Haiyan County on 8 October to commemorate the 40th anniversary of the victory of the seven successive campaigns in central Jiangsu during the Liberation War.

Veterans of the campaigns who attended the meeting were Jiang Weiqing, Hui Yuyu, Guan Wenwei, Liang Lingguang, Rao Shoukun, Hu Bingyun, Lu Sheng, Sun Keji, Duan Huanjing, Wu Hongxiang, Zhong Guochu, Liu Wenxue, (Song Wen), Zhong Min, (Zhang Changfu), Xie Yunhui, Hong Ze, Bao Houchang, Wei Yongyi, Shou Yifeng, Ouyang Huilin, Wang Haisu, Dai Weiran, Tang Shudi, (Xia Guang), Zhou Ze, Xie Kedong, (Tan Zhaozhi), and (Chu Chengji).

Leading comrades of the Nanjing Military region, the Jiangsu provincial party committee, the provincial People's Congress Standing Committee, the provincial Military District, including Xiang Shouzhi, Fu Kuiqing, Han Peixin, Gu Xiulian, Chu Jiang, Qian Zhonghan, and Yue Dewang, were present at the meeting.

The victory of the seven successive campaigns in central Jiangsu was a major battle on the southeastern front of the liberated area during the Liberation War's early stage. [passage omitted]

Paying tribute to the meritorious veterans at the commemorative meeting on behalf of the provincial party committee and the provincial government, Gu Xiulian, deputy secretary of the provincial party committee and governor, called for inheriting and carrying forward the dauntless revolutionary spirit displayed by the soldiers and civilians during the campaigns and for creatively implementing the central authorities' line, principles, and policies in the light of Jiangsu's actual situation. After recalling Comrade Hu Yaobang's inspection tour of Jiangsu in February 1984 during which he urged the cadres and people of Jiangsu to win another victory in seven successive campaigns in economic work, Gu Xiulian continued: In implementing the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization which was adopted by its recent sixth plenary session, we should include education in revolutionary tradition in our efforts to build spiritual civilization. It is necessary to launch various commemorative activities in order to further fire the enthusiasm of the large numbers of cadres in building socialism and inheriting the revolutionary spirit of the older generation in boldly exploring ways for reform, thereby winning victory in more successive campaigns and promoting the building of the two civilizations and comprehensive reform.

In his speech, Xiang Shouzhi, Nanjing Military Region commander, urged commanders and fighters to emulate the revolutionary spirit of the older generation and develop the tradition of winning the seven successive campaigns in order to modernize and regularize the PLA and make it more revolutionary.

On behalf of the veterans present at the meeting, Comrade Jiang Weiqing delivered a report at the meeting. [passage omitted]

HENAN RIBAO COMMENTATOR URGES STUDY OF RESOLUTION

HK151443 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 10 Oct 86

[Excerpts] Today HENAN RIBAO frontpaged a commentator's article on study of the CPC Central Committee's resolution on the guiding principles for building a socialist society with an advanced culture and ideology.

The article, entitled: Study Conscientiously and Do Not Make a Gesture, said that the resolution adopted by the CPC Central Committee at its sixth plenary session on the guiding principles for building a socialist society with an advanced culture and ideology is another programmatic document guiding our socialist modernization following the decision on reform of the economic structure. Over the past few years, our thinking on economic construction and reform has become more clear step by step, but our ideology guiding the building of a socialist society with an advanced culture and ideology is not clear enough. Therefore, the work in this aspect cannot suit well the situation ensuing from the reform and opening up to the outside world. To change such a situation, we must change our thinking on the building of socialist spiritual civilization. [passage omitted]

The article stressed: Only by linking study of the resolution with our ideological conditions and thinking over problems again and again will we be able to really grasp the essence of the resolution, will we be able to stir up our thinking and will we not perfunctorily study the resolution. Only by linking study of the resolution with the work in our areas and departments will we be able not to show indifference to study and make a gesture of study, will we be able to proceed from actual conditions and draw up practical plans for the building of socialist spiritual civilization in our areas and departments by acquiring a clear understanding of the spirit of the resolution.

WUHAN COURT GIVES STIFF CORRUPTION CASE SENTENCES

HK150857 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 9 Oct 86

[Excerpt] According to HUBEI RIBAO, the Wuchang District People's Court in Wuhan City recently tried and dealt with a corruption and bribery case involving (Xu Gengfu) and others of the Dongfang Industrial Company under the China Donghu Intellectual Resources Exploitation Joint Company. (Xu Gengfu) was sentenced to a 12-year prison term for being corrupt and accepting bribes. (Rong Zhongfa) was sentenced to 18 months in prison for corruption. (Zhou Liebao) and (Tao Honglai) were respectively sentenced to a 1-year prison term for offering bribes. The court decided not to prosecute (Zheng Guangxin) who has confessed his crime and exposed the crimes of his associates. [passage omitted]

SICHUAN 700,000 YOUTHS APPLY TO JOIN PLA

HK151323 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 10 Oct 86

[Text] According to SICHUAN RIBAO, in this year's army recruitment, all localities in the province have given much publicity to the Military Service Law and promoted the experience of (Xiangyang) Town, Guanghan County in carrying army recruitment work. This has aroused the enthusiasm of young people to join the Army and defend the motherland. Scenes of parents sending children to join the Army and youths vying with each other to join the Army were seen everywhere in the province over the past few days. According to statistics from 6 to 8 October, over 700,000 youths of the right age in the province had applied to join the PLA.

XIZANG HOLDS MEETING ON CENTRAL RESOLUTION

HK160625 Lhasa Xizang Regional Service in Mandarin 1130 GMT 14 Oct 86

[Excerpts] The regional party committee held a cadre meeting at the conference hall of the Lhasa theatre on the afternoon of 13 October. Leading comrades of the regional party committee, its Advisory Committee, the regional People's Congress Standing committee, and the regional people's government, as well as about 300 party member leading cadres working at organs directly under the region such as departments, bureaus, and offices, and Lhasa City attended. Basang, member of the CPC Central Committee and deputy secretary of the regional party committee, preside over the meeting. At the meeting, Raidi, member of the CPC Central Committee and deputy secretary of the regional party committees, gave a brief account of how things were at the 6th Plenary Session of the 12th CPC Central Committee, expounded on the distinguishing features of the resolution adopted at the plenary session, and gave his suggestions on how to study well the resolution.

In expounding on the distinguishing feature of the resolution, he summarize the following five aspects. 1) By applying dialectical materialist points of view, the resolution explains the socialist road with Chinese characteristics in a more scientific and systematic way. 2) The resolution brings democratic principles into the ideological field, and the double-hundred policy is officially incorporated in a party resolution. 3) The resolution holds that the building of spiritual civilization should proceed in an orderly way, step by step, and in accordance with political consciousness of the people. 4) The resolution points out that the ultimate aim of building spiritual civilization is to cultivate citizens of a socialist society to become better educated, to have moral integrity, to observe discipline, and to cherish lofty ideals. 5) The resolution is permeated with the spirit of persisting in reform and opening up, while adhering to the four cardinal principles. [passage omitted]

CORRECTION TO XIZANG PEOPLE'S CONGRESS MEETING

The following correction pertains to the item headline "Xizang People's Congress Meets 11 October," published in the 15 October China DAILY REPORT, page Q 1, paragraph one, line one:

. . . Session of the 4th Xizang Autonomous Regional People's Congress Standing Committee was held in . . . (correcting meeting number, adding "Standing Committee")

JILIN'S GAO DI ON SPIRITUAL CIVILIZATION RESOLUTION

SK160336 Changchun Jilin Provincial Service in Mandarin 2200 GMT 15 Oct 86

[Text] On the afternoon of 14 October, the Jilin Provincial CPC Committee convened a meeting of party members and cadres of various provincial-level organs to relay the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, and to mobilize the large number of party members, cadres, and the masses to conscientiously study the resolution adopted by the CPC Central Committee concerning the guiding principles for building socialist spiritual civilization, intensively study documents and guidelines in line with reality, and enhance our understanding and enthusiasm in order to promote the continuous progress of the building of the two civilizations and overall reform.

Comrade Wang Zhongyu presided over the meeting. Comrade Gao Di relayed the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and gave a mobilization talk on studying the guidelines. Comrade Gao Di said: The 6th Plenary Session of the 12th CPC Central Committee was an extremely important session. The resolution of the CPC Central Committee on the guiding principles for building socialist spiritual civilization is an extremely important document bearing on the overall scheme of China's socialist modernization, as well as a programmatic document for guiding the sound development of China's socialist spiritual civilization. It is a major event of the whole party and the whole country as well as the focus of world attention in formulating such a document during the overall development of China's reform. The resolution has satisfactorily embodied the guidelines of the 12th CPC Congress, has scientifically summed up the fresh experiences gained since the 3d Plenary Session of the 11th CPC Central Committee, has fully reflected the new demands in building a spiritual civilization brought about by the new situations of reform and the open policy, and has furnished a profound, accurate and comprehensive answer as to the strategic importance, basic guiding principles, fundamental tasks, and the series of major principle matters of the building of spiritual civilization. The document fully embodies the political orientation of adhering to the four fundamental principles and promoting reform and the open policy, and has provided new explorations and achievements for Marxist theory on many questions.

On behalf of the provincial party committee, Comrade Gao Di made arrangements for organizing the cadres and masses throughout the province to study the resolution. He said: First, we should grasp the study of the resolution at each level, with the stress on all levels of leading cadres and the cadres engaging in the ideological work, in order to enhance their understanding of the resolution. Second, we should devote much time and energy to clearly understanding the basic standpoint of the resolution, try to accurately and comprehensively comprehend the essence of the guidelines, and conduct discussions on some basic questions in order to clear up some misunderstandings and avoid leftist and rightist mistakes in our work. Third, we should break with outmoded ideas in line with reality. For the province as a whole, attention should be paid to the following several issues:

1. We should fully understand the strategic importance of building spiritual civilization, eliminate the idea and action of underestimating the building of spiritual civilization, and get rid of the situation of separating the building material civilization from the building a spiritual civilization.
2. We should encourage the people to renew their thinking.

3. We should further enhance our spirit, conquer difficulties, be determined to carry out reforms, and work hard for invigorating Jilin.

4. We should attend to propagating the resolution and give guidance in study.

5. We should organize forces to conduct investigations and studies and make the necessary preparations for mapping out plans and measures for implementing the resolution.

Secretaries of various city, prefectural, and autonomous prefectural party committees who are in charge of the cultural and educational work, and directors of propaganda departments of these party committees also attended the meeting.

LIAONING CONFERENCE VIEWS DEFENSE INDUSTRY VIEWS

SK160444 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 15 Oct 86

[Text] From 13 to 15 October, the provincial government held a work conference on Army-civilian cooperation in Shenyang. Acting Governor Li Changchun, Vice Governor Zhu Jiazhen, and Xie Guang, vice chairman of the commission for National Defense Science, Technology, and Industry; and Lai Jinlie, vice minister of ordnance industry, who made a special trip here to attend the conference, spoke at the conference.

At this conference discussions were focused on ways to implement the guidelines of the central forum on national defense science, technology, and industry, shift their service scope from national defense alone to the four modernizations in a comprehensive manner, and turn our province's enterprises of national defense science, technology and industry into ones oriented to the needs of both the army and civilians. The conference also discusses policies related to supporting the enterprises of national defense science, technology and industry to produce products for civilian use.

LIAONING DEFENSE TECHNOLOGY GIVEN TO CIVILIANS

SK160500 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 15 ct 86

[Excerpt] Military enterprises of our province have developed their advantage in technology, carried out lateral cooperation, and have achieved notable results in transferring military industrial technologies to civilian use and making them serve national economic construction. From 1983 to June this year, they signed 10,700 contracts on transferring military technologies to civilian use. When all the contracts are fulfilled, some 3 billion yuan in social economic benefit is expected to be created.

At present, enterprises of national defense science, technology and industry throughout the province have established stable long-term relations with Beijing, Zhanjiang and Hainan Island as well as 16 cities and counties in the province for technological cooperation. They render service to more than 20 provinces and 50 large, medium-sized and small cities, including Beijing, Shanghai, Guangzhou and Wuhan. The scope of their service covers more than 20 trades, including the petroleum, chemical, railway, textile and coal industries. They have established, in initial form, an inter-regional, inter-department, multichannel technological service network which adopts various measures to render service at various levels. Through technological cooperation, military industrial technologies have yielded fairly good results in serving the technical transformation of local enterprises. [passage omitted]

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PRC REGIONAL AFFAIRS
NORTHWEST REGION

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GANSU MILITARY RUNS PILOT TRAINING PROJECTS

HK160455 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 12 Oct 86

[Excerpt] Since the beginning of this year, Lanzhou Military Region has adopted a variety of measures and jointly launched with localities pilot projects on military training for students of institutions of higher learning. As they heightened the students' political awareness and the sense of discipline, they received a good response from teachers, and students.

At the beginning of this year, the Military Region was assigned pilot projects on military training for over 21,000 students of eight universities and 13 secondary schools. After studying with the departments concerned the plan of setting up experimental units, the Military Region selected units for re-training and proposed specific requirements for the training. It transferred 64 military cadres down to the experimental units for teaching and military training. As the work was done well, some 10,000 students have completed such training. [passage omitted]

Through the project at the experimental units, the localities generally expressed that the military training had heightened their political awareness or ardently loving the motherland and socialism, helped them cultivate the national defense concept and the sense of discipline, helped them build up their physical strength, and helped them gain more knowledge.

XINJIANG CPC COMMITTEE URGES STUDYING RESOLUTION

HK151309 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 11 Oct 86

[Text] This afternoon the regional party committee called a meeting of cadres at and above the departmental and bureau levels, calling on them to take the lead in studying the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization and to understand thoroughly the essence of the resolution so as to strengthen leadership over the building of socialist spiritual civilization.

Song Hanliang, secretary of the regional party committee, spoke at the meeting. On behalf of the regional party committee, he raised basic requirements for the study of the resolution. He said: In studying the resolution, we must grasp its essence, comprehend its basic spirit and have a sound understanding of its important practical and far-reaching historical significance. We must attach primary importance to studying the resolution and must conscientiously study and think over the eight questions raised in the resolution. Song Hanliang stressed: Leaders at all levels must take the lead in studying the resolution and they must be among the first to study it and must study it deeper than the masses.

Song Hanliang said: The regional party committee has decided that to relay and implement the spirit of the resolution we must take two steps. One is to conscientiously study documents; the other is to carry out in-depth investigations, apply the resolution to reality and adopt measures to implement the resolution by reaching a common understanding through study of documents.

PRESSURE FORCES TAIWAN TO LIFT MARTIAL LAW

HK130858 Hong Kong AFP in English 0852 GMT 13 Oct 86

[Excerpts] Beijing, Oct 13 (AFP) — China said Monday that public pressure was forcing Taiwan to lift martial law but that the effects of the move could not be judged until martial law's total elimination from the Nationalist Chinese stronghold. "This martial law has met with growing opposition from the people of Taiwan," a spokesman from the Chinese Foreign Ministry said. "But what should be noticed is that the Taiwan authorities in the meantime also stated that a new security law would be formulated in place of the martial law. Therefore, what effect the removal of the martial law will have remains to be seen," he added. [passage omitted]

"Over the past 30 years and more, the Taiwan authorities have taken advantage of martial law to control and suppress the ordinary people of Taiwan, under the pretext of resisting communism," the spokesman said.

YE CHANGFA, TAIWAN SPY, CAPTURED IN SHENZHEN

HK101430 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0245 GMT 10 Oct 86

[Text] Guangzhou 10 Oct (ZHONGGUO XINWEN SHE) — According to a report in today's press here: In the still of a certain night in mid-April, a man and a woman were acting strangely on the 30th floor of a building on Jianshe Road, Shenzhen. The man was Ye Changfa, a spy sent by the Taiwan KMT "Mainland Work Council." He was teaching a pretty and coquettish woman named Li secret writing.

Ye Changfa, 47, was once a worker at a Dongguan organ. He was sentenced to 6 years in prison on the mainland for theft. Later, he illegally immigrated to Hong Kong, and returned to China as a Hong Kong businessman. Then, he purchased an apartment in Shenzhen, acquired a Special Economic Zone residential certificate, and often shuttled between Hong Kong, Shenzhen, and Dongguan. Ye Changfa joined the Taiwan KMT on a voluntary basis, and became a regular member. In March 1985, a certain Kwong, a Taiwan KMT spy in Hong Kong, learned of Ye's intention to run a stone pit in the hinterland, and proposed to provide him with funds on the condition that he gather information concerning the mainland. Ye Changfa believed himself finding "the way to get rich" and promptly became a spy of t's Taiwan "Mainland Work Council." A Taiwan spy nicknamed "Baldheaded Wang" directly assigned him tasks, and required him to recruit an intelligence agent in Shenzhen. With this assignment, Ye Changfa returned to Shengzhen and found a mistress, a certain Li.

Li was a married woman, 37 this year. By chance she came to know Ye Changfa, and the two came to live together in no time. In April 1985, when Ye Changfa returned to Shengzhen, he wanted Li to become a spy like him, by promising her "love" and money. Thus, the episode at the beginning of this article. In late May 1985, Ye Changfu sneaked into Shengzhen as ordered by the spy "Baldheaded Wang," and wanted Li to gather information for him. When he sneaked back to Hong Kong, Ye delivered to "Baldheaded Wang" the information he gathered on this trip.

The state security organ had long observed Ye Changfa's spying activities. Through tracking down, the state security organ got hold of the evidence that Ye Changfa and Li carried out spy activities. In late August 1985, Li was first captured, and later Ye Changfa was put under arrest and brought to justice. The tools of their spy activities were also seized. The Shenzhen city intermediate people's justice court recently tried their cases, and Ye Changfa was given a sentence of 5 years in prison according to the law. In view of Li's good attitude in confessing her crime, the procuratorial organ showed leniency by withdrawing the suit against her.

COMMENTARY EXAMINES PRC-SOVIET DETENTE

OW151447 Taipei CNA in English 1357 GMT 15 Oct 86

[Text] Taipei, Oct. 15 (CNA) — The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "Moscow-Peking Rapprochement."

On October 10th Communist Party officials from the Soviet Union and Mainland China wrapped up another set of highly secretive talks on restoring relations. It was the ninth round of meetings since the two communist giants began a rapprochement in 1983.

Neither side gave any hint as to how the talks went. But Soviet officials said the talks centered on the call for normalization of relations made by Mikhail Gorbachev last July.

The two communist powers have been split since the early 1960s when they engaged in bitter ideological disputes. Essentially, their problems began when Mao Tse-tung collided with the Soviet leadership over two issues: The correct form communist revolution should take, and second, who was more qualified to lead the international communist movement.

Moreover, the Chinese Communists had grown tired of the Soviet Union's big brother complex. Peking had allowed itself to become fully dependent on the Soviets for virtually every aspect of development. At the height of their cooperation, the Soviets were practically running Communist China's leading industries. The Soviets also had a major controlling hand in Communist China's military.

Ironically, perhaps, Mao made the break with the Soviets after his disastrous Great Leap Forward program, which began in 1958. The Great Leap turned out to be one of the most horrible human tragedies ever as upwards of 30 million people perished due to starvation.

Throughout the sixties and seventies the two communist giants remained bitter enemies on the verge of war. In 1969 a series of skirmishes occurred along their border that alarmed the West. Their troubles worsened even as they both provided aid to Hanoi during the Vietnam War. A persistent rumor has it that Moscow even contemplated launching a nuclear strike against Communist China's industrial north, but that Richard Nixon intervened on behalf of Peking. Certainly this was the low point of the Moscow-Peking relationship. Today, their relationship is drifting back toward normalcy as both sides take a more pragmatic view of their problems. Some Western experts see the two communist powers as being too far apart on issues such as Cambodia and Afghanistan, not to mention their age-old border disputes. Others argue that Moscow-Peking relations are drifting back to a more normal state of affairs in which the Communist bloc will eventually regain its previous monolithic nature aligned against the West.

The U.S. meanwhile, is beginning to see the writing on the wall. As much as the United States would like to coax Mainland China away from the Soviet Bloc, it does not appear to be a feasible task given Peking's new inclination to patch things up with Moscow. Indeed, some U.S. scholars are warning the U.S. Government that Peking's opening to the West may simply be a ploy to help Communist China gain parity with the Soviet Union. In this scenario, Peking can receive the aid it needs without having to endure Moscow's pretentious big brother complex. It follows that Peking feels it stands little chance of being treated as a true comradely equal unless it first has the ability to stand up to Moscow when needed. Once Peking gains parity with Moscow, the experts say, Peking may just bite the hand that fed it and hop back into the sack with the Soviet bear to the north.

That would spell a whole lot of trouble for the U.S. and the West. Worst of all, there may be nothing anyone can do about it.

KMT PASSES MARTIAL LAW, PARTY BAN LIFTING PLANS

OW151057 Taipei CNA in English 1036 GMT 15 Oct 86

[Text] Taipei, Oct. 15 (CNA) — The ruling Kuomintang's Central Standing Committee Wednesday approved proposed political reforms including the lifting of martial law and replacing it with a national security law to insure peace and stability in this national bastion.

The committee reached the agreement after detailed studies on the reform proposals included in documents on the National Security Law and the organization of civic bodies during the period of mobilization and the fight against rebellion. The documents were submitted by a 12-member ad hoc group under the Central Advisory Committee.

The conclusions will be sent to the Executive Yuan for reference while working out the legislation necessary to effect the reforms. The reforms will become effective through enactment by the Legislative Yuan.

According to the two proposals, martial law now in force for nearly 40 years on this national bastion of Taiwan and Penghu will be lifted. To uphold the constitutional system, a national security law during this period of mobilization and the fight against rebellion will be enacted to protect public security and economic development.

The authorities will also revise the law governing the organization of civic bodies during this emergency period, as well as the law of elections and recalls. The revisions will regulate the activities of political organizations and other civic organizations. They will also allow candidates of legal political bodies to engage in rational and just political campaigns.

Martial law and related legislations will remain in force until the enactment of reforms, which will take some time to complete, the Standing Committee noted.

DEMONSTRATIONS, PROTESTS 'MAY VIOLATE' LAW

OW151229 Taipei CHINA POST in English 12 Oct 86 p 8

[Text] The law remains the government's standard in dealing with street demonstrations despite recent tolerance, the executive Yuan said yesterday.

The Cabinet made the statement in answer to Legislator Liu Pi-liang's interpellation.

Liu urged the government to enhance the reasonableness of political participation and policy making to reduce political protests.

When involving themselves in public affairs or expressing an opinion, people living under democracies should be rational and use normal channels and legal methods, the Yuan said.

People who illegally gather or take to the streets to protest may violate the law and disturb public order, the Cabinet said.

When the government maps out policies to deal with street demonstrations, the opinions of scholars and the public are considered. the yuan said.

This is done to make sure that the policies and measures are feasible, appropriate, flawless and meet the interests of the nation and the people, it added.

The yuan was apparently referring to nonpartisan former Taipei city councilor Lin Cheng-Chieh and his supporters who staged a series of street demonstrations last month to protest a court verdict.

Lin, 34, publisher of the nonpartisan PROGRESS WORLD magazine, was sentenced to 18 months in prison by the Taipei District Court on Sept. 3. He took to the streets for 12 days instead of appealing.

He was convicted of libeling former fellow councilor Hu Yi-shou, 40. Lin claimed Hu had used the latter's post to obtain NT\$16 million in irregular loans from the Taipei City Bank.

No arrests have been made in connection with the street demonstrations.

Street demonstrations not sanctioned by authorities are illegal as Taiwan is under martial law.

FEI HSI-PING ON FORMING NEW POLITICAL PARTY

OW102156 Taipei TZU LI WAN PAO in Chinese 7 Oct 86 p 2

[By reporter Chen Yu-hsing]

[Text] Ten days have passed since the nonpartisans announced the formation of the "Democratic Progress Party." However, the nonpartisans have said nothing about the whole process of forming this party. At a forum held yesterday (6 October), Fei Hsi-ping, convener of the party affairs group of the "Democratic Progress Party" finally revealed how the nonpartisans' "10-Man group" formed the party.

Fei Hsi-ping said that when he visited the United States last summer, he made extensive contacts with fellow countrymen from Taiwan who resided overseas. Everyone was highly enthusiastic about forming a party. He was greatly inspired. Thus, he started to organize a new party after returning to Taiwan.

On the issue of organizing the party, the nonpartisans had held a total of five discussion meetings — three meetings in Fei Hsi-ping's residence, two meetings in Hsieh Chang-ting's residence. However, the nonpartisans' interest in forming a party was not too high—although they did have some desire to do so. This almost made Fei Hsi-ping give up while the meeting was in progress. With the support of Yu Ching, Huang Erh-hsuan, and Fu Cheng, ten nonpartisans once again gathered together at Chou Ching-yu's residence where they finally made a major breakthrough and organized the "10-man group." The 10 men were Yu Ching, Hsieh Chang-ting, Fu Cheng, Huang Erh-hsuan, Chou Ching-yu, Yu Hsi-kun, Chang Peng-chen, Chang Chun-hsiung, Chen Chu, and Fei Hsi-ping.

It was understood that those who organized any party had to assume high political risks. Therefore, members of the "10-man group" promised to remain tight-lipped when the group was formed. Thus, no one knew anything about the group after it was organized.

Later, under the pretext of carrying out discussions and promoting mutual understanding, the "10-man group" again invited more nonpartisans in September to participate in the work of organizing the party. A total of 19 people attended the first session. The number of people attending the second session was increased to 22. A total of 25 people attended the third session, at which a decision was made to convene a meeting on 28 September to select nonpartisan candidates and collect signatures for forming a preparatory committee for the new party. When the meeting was in session on 28 September, the feeling of the nonpartisans ran so high that they decided to declare the formation of the party right away.

MILITARY EXERCISE FEATURES MISSILE FIRING

OW160305 Taipei CNA in English GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) — A joint military exercise of the Armed Forces of the Republic of China was held Wednesday in southern Taiwan featuring the firing of sophisticated missiles and other powerful new weapons.

Speaking at a ceremony prior to the military maneuver, Premier Yu Kuo-hua said that the strong Armed Forces of the Republic of China have been built under the plan mapped out by the late President Chiang Kai-shek. The military exercise was to show the combat readiness and the strong combat capabilities of the nation's armed forces, he said. It would also show the revolutionary spirit, training, and the sophisticated new weapons of the ROC Armed Forces, he added. During the 90-minute exercise, many kinds of missiles and other sophisticated weapons were fired. They included the Sidewinder missile, the Hawk missile system, the shipborne Sea-Chaparral missile, shipborne Hsiung Feng missile, and the Tow missile.

The military exercise also demonstrated air interception, bombing by the air force, helicopter attacks, battalion concentrated firing, and other defensive and protective firing.

More than 16,000 government officials, foreign envoys, representatives of the people from all walks of life, and students witnessed the military exercise. They were deeply impressed with the superior combat skills, powerful weapons, and high morale of the ROC Armed Forces.

Meanwhile, a large-scale military force demonstration was held Wednesday at a military base at Hukou in northern Taiwan. Dubbed "Exercise Chiao Tai," the maneuver was witnessed by some 15,000 Overseas Chinese, who have returned here to participate in Double Ten National Day celebrations and other festivals in October.

ZHAO ZIYANG MEETS HONG KONG, MACAO FIGURES

OW151846 Beijing XINHUA Domestic Service in Chinese 1546 GMT 15 Oct 86

[By reporters Shi Meisi and Huang Shaomin]

[Text] Guangzhou, 15 Oct (XINHUA) — Addressing a meeting with noted personages from Hong Kong and Macao, who are here to attend the 60th session of the China Export Commodities Fair, Premier Zhao Ziyang called for concerted efforts between the people of China's mainland, and Hong Kong and Macao to boost economic and trade exchanges, and cooperation between China and other countries.

Zhao Ziyang said: Since the fair first opened 30 years ago, it has struck export deals worth a total of over \$64.4 billion. The fair has thus played a significant part in promoting China's trade and friendship with foreign countries. These achievements are inseparable from the support of friends in all countries and regions, especially friends in Hong Kong and Macao. On behalf of the Chinese Government, allow me to extend its thanks to our friends in Hong Kong and Macao for their efforts to develop trade between the Chinese mainland and Hong Kong and Macao, their support for China's four modernizations, and their efforts to promote Hong Kong's stability and prosperity.

Zhao Ziyang stressed: China's current policy of opening to the outside world is a long-term national policy. To pursue this policy, we must expand trade with other countries. Although we cannot say that China is a country based on trade, since it is a country with a vast territory, its coastal areas should make great efforts to expand the export-oriented sectors of their economy, China's coastal areas are inhabited by over 200 million people, including over 100 million people in coastal cities and towns, and 60 million people in large and medium-size cities along the coast. We should provide them guidance to set up more export-oriented enterprises in a planned manner so that we can speed up the country's foreign trade and spur its overall economic growth as well as the four modernizations drive.

Zhao Ziyang said: To expand the export-oriented sector of the economy, we should adopt a variety of methods. In addition to ordinary trade, we should welcome enterprises in all countries and regions to set up factories in China, including Sino-foreign joint ventures, co-management businesses, and wholly foreign-owned enterprises.

On the ongoing improvement of the nation's environment for investment, Zhao Ziyang said that since the total expenses needed for operating an enterprise in China are low, the enterprise will be greatly competitive. To give full scope to China's potential advantages and make China more attractive to foreign investors, we will settle the problems standing in the way of foreign investors in China so that they will feel the same favorable climate for starting businesses in China as in other countries.

Among the noted personages from Hong Kong and Macao attending the meeting with Premier Zhao were Henry Fok, Ma Wanqi, Tang Bingta, Qu Shengxiang, Sun Chengzeng, Quo Yixing, Weng Jintong, Ye Ruolin, He Houhua, Cui Leqi, Peter Peng, Xu Shiyuan, Tao Kaiyu, Li Wenzhi, and Zhang Zhen.

Also present at the meeting were Zheng Tuobin and Wang Pinqing, respectively minister and vice minister of foreign economic relations and trade, and leading members of Guangdong Province and Guangzhou.

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